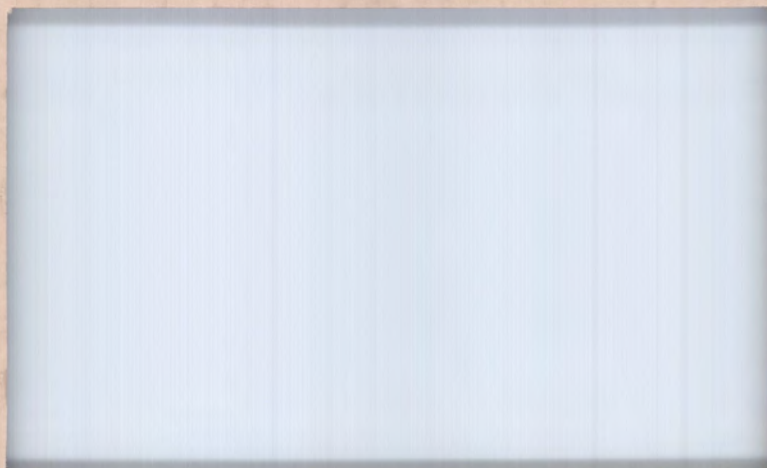


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Rivkin Associates Inc.

APPROACHES TO PLANNING FOR SECONDARY
CITIES IN DEVELOPING COUNTRIES

With case studies
of Brazil, Korea, Tunisia, Indonesia and Kenya

and review of the
USAID Office of Urban Development
Land Use Programming Demonstration Projects in
Ghana, Nicaragua and Thailand

Prepared for the Office of Urban Development
U. S. Agency for International Development

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The project has been executed under a work order, the total
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Charles Boyce prepared the report on Brazil based on his field investigation. Dr. Michael McNulty visited Ghana to gather current information on the status of the Tamale project, and Kenya for information he used in writing that country's case study.

Malcolm and Goldie Rivkin, as principal authors, are responsible for the over all research effort and this final document.

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INTRODUCTION

AID's Office of Urban Development became interested in intermediate or "secondary" cities during the early 1970s, a time when urbanization was just emerging as a concern for international agency assistance. By and large these agencies had been preoccupied with rural development and sectoral issues of industry, transportation, water supply, tourism, etc. Urbanization itself was largely perceived as a negative phenomenon and migration to cities, flagged as a process to be halted or retarded. Direct interest in cities, as such, was primarily focused on the large primate centers. It was expressed through application of technical and financial assistance to alleviate their most serious problems (e.g. insufficient housing and municipal services) and to formulate controls over expansion. Rural development was the preferred strategy for containing metropolitan growth.

By the early 1970s, however, intermediate size and smaller cities and towns were beginning to attract attention in their own right, along with rural areas, as policy-makers in several developing countries embarked on efforts to decentralize development outside the major metropolitan regions. The approaches varied, from simply setting up decentralized branch offices of government agencies to studies of geographical allocations for particular funds, ad hoc investments in individual urban projects for secondary or smaller cities and towns and even more broadly conceived spatial planning with the objective of creating new "poles" of growth.

In viewing these efforts, the Office of Urban Development believed that existing secondary centers, with their already-established economic bases and essential infrastructure systems, could play a key role in strategies to divert major new development from the primate metropolitan area, thereby contributing to a more equitable distribution of income and services throughout the countries in question. These cities could become alternative metropolitan centers, exerting their own magnetic attraction for commercial and industrial investment and population. They would also be able to provide their respective hinterlands with access to a significantly broadened range of social, educational, personal, and business services. Moreover, they offered a setting for improved administration of governmental services.

In 1974, the Office sponsored an exploratory investigation of secondary cities and commissioned the present writers to examine the experience in three countries where enhanced development of intermediate size cities was a policy goal of national government: Brazil, Turkey, and Malaysia. One of the key findings of this study, Land Use and the Intermediate-size City of Developing Countries, was that many secondary centers were beginning to experience the same rapid expansion that characterized metropolitan regions. Indeed, their still-fragile potential for productivity was being threatened by difficulties in securing appropriate, well-located sites for development at acceptable prices,

inadequate infrastructure and insufficient administrative capacity. These issues were not dissimilar to those prevailing in the metropolitan centers; yet the smaller cities were unable to command even the more limited technical and financial resources they required to cope with the problems. The study recommended that international agencies could make significant contributions toward improving the situation by broadening their minimal commitments to urban assistance -- specifically, to include technical advisory services in land use analysis and project identification for some of the most promising secondary cities.

The Office of Urban Development followed through by initiating a set of modest "pilot" technical assistance projects in Leon, Nicaragua; Chonburi, Thailand; and Tamale, Ghana. Each project entailed deploying a single expert, with short-term consultant support, to work with local and national authorities on land use and project identification matters for a period of one and a half to two years.

In the seven years since that early USAID-initiated study, international interest in secondary city development has burgeoned. Additional offices within AID, the World Bank, the Asian Development Bank and others began to see potentials not perceived earlier. To a great extent this interest stemmed from an almost collective recognition that increasing urbanization was an immutable fact of economic development. Improved conditions in rural areas resulting from development efforts were leading to just as much migration in search of greater opportunity as rural poverty had done. Those countries whose over all economic conditions were improving, invariably displayed increases in the rate of urbanization and the number of communities possessing urban characteristics.

In addition to recognizing the significance of cities in their own right, more sophisticated international observers began to accept the importance of towns' and cities' roles in continued rural improvement -- as markets for produce, processing centers, and sources of jobs and services.

As these more realistic perceptions emerged, both countries and international agencies began to take more penetrating looks at the smaller cities themselves, discovering that a host of deficiencies -- in water, sewer, health and other services, in shelter, in fiscal capacity, in administrative capacity and in the ability to aggregate land for public improvements were issues meriting attention.

Over the past seven years, many national governments have accelerated efforts to improve secondary cities. The international agencies have also produced financial and technical aid on a wide variety of fronts, an array of monetary and professional commitments which far exceed USAID's outlays for its three pilot programs. The Office of Urban Development has itself continued to pioneer with research -- into the

role of urban functions in rural development, improvement of local governance and finance, and the economics of secondary cities.

Given this new level of national and international interest, it is timely to examine the experience to date, to identify approaches, issues and accomplishments and to suggest some principles for what is becoming a significant focus for development support during the decade of the 1980s.

This "new" study of secondary cities will review aspects of recent policy and programs that address secondary or intermediate city issues and will point out promising directions for the future.

Recent Experience

Given the increased commitments by developing countries and international institutions to support secondary city development, the study seeks to answer a number of questions:

What approaches are various countries taking to support their commitments to secondary city development, in organization, in investment, and in training personnel to implement their policies?

What role does land use planning play in preparing the basis for improvements and for channeling growth at the secondary city scale?

What concepts are employed in the practice of land use planning?

How is physical or land use planning related to other management and development activities in support of secondary city growth?

What steps are countries taking to expedite the availability of land for necessary expansion and redevelopment?

What issues are emerging (e.g. institutional, fiscal, managerial) as these secondary city development efforts unfold?

Strategies for the Future

Given increasing international support of national efforts to strengthen secondary cities the study seeks to recommend some promising directions for the future. It addresses the following questions:

What offers of assistance would be most appropriate by international agencies wishing to further national objectives to improve services and productive capacity in secondary cities: loans for investment in infrastructure, housing, industry, etc., technical assistance of various kinds, training in management, public finance, etc.?

Do land use issues in these cities present opportunities where international agencies might strategically and appropriately offer assistance?

Land use "programming" is an approach that links physical planning to project implementation. Conceived in connection with the earlier USAID study of intermediate size city problems, and later the basis for that agency's pilot technical assistance projects, its objective was to provide an overall guidance instrument for land development decisions and devise practical, short-term investment ideas as well as other projects based on that guidance. Is this a valid concept for addressing growth issues in secondary cities?

This present study encompasses a number of sources: review of literature and field reports from the AID pilot projects, a March 1981 seminar of participants from these projects and international agency officials concerned with secondary city development, a parallel investigation by Dennis Rondinelli of Syracuse University into the economic and social characteristics of secondary cities and policy issues raised by national and international agency interest. The most important sources, however, are case studies of five countries which have an ongoing commitment to secondary city development: Brazil, Indonesia, Kenya, Korea and Tunisia. Field studies were made in the summer and fall of 1982 to learn how each country was proceeding in its efforts to stimulate development of urban centers outside the main metropolitan regions, and what role the planning, assembly and management of land was playing in the process.

In presenting this material, it is well to note that any attempt to draw generalizations about complicated societal issues from limited information proceeds at its own peril. This is not our intent. We hope instead to identify dimensions of issues and point out promising avenues for intervention that may have a broader applicability.

Chapter I: Characteristics of the Secondary City and Reasons for Intervention

This background chapter on the characteristics of secondary cities provides a rationale for their inclusion in national development policies. It brings together segments of our own earlier work and insights from Rondinelli's recent research, "Developing and Managing Middle-Size Cities in Less Developed Countries", written for the Office of Urban Development.

I. Definitions

John Friedmann summarizes the view of many urban theorists with his comment that: "Interregional balance and a hierarchical system of cities are essential conditions for national development".¹ Our particular concern is with those urban centers which hold positions in a nation's "hierarchy" of cities just below the level of the primate metropolises, and just above market communities and small towns which are primarily service centers for rural areas. The spectrum is wide, and the economic, social, and physical characteristics of "secondary" or "intermediate" cities diverse. The common thread is that these centers are -- or have the potential to become -- nodes of diversified economic development that are alternatives to investment and population concentration in the major metropolitan centers.

There is a constant temptation in discussing "secondary" cities to use a threshold of population size as the basis for definition. Rondinelli sets a floor of 100,000 for the communities he has investigated:

Although this classification may exclude towns in some parts of the developing world that governments may consider to be middle-sized and that indeed may have urban economic and social characteristics, it offers a high probability of encompassing the large majority of cities that perform intermediate urban functions in developing nations...The upper limit of the range of population sizes for middle level cities, must, of course, vary among countries.²

Such classification according to scale is convenient for Rondinelli's discussion. Yet, many communities with fewer than 100,000 people do perform urban administrative and economic functions and do require urban services (water and sanitation systems, solid waste

1. John Friedmann, Regional Development Policy, a Case Study of Venezuela, Cambridge, MIT Press, 1966, p 28.

2. Dennis Rondinelli, Developing and Managing Middle-Sized Cities in Less Developed Countries, USAID, Office of Urban Development, 1981, pp. 45-46.

disposal, communications, transport and terminal facilities, commercial centers, etc.) to perform these functions effectively. A great deal depends on the population, economic, and urbanization patterns within a particular country. A community of 25,000 may be a "secondary" city in Swaziland, but not in Brazil. Several countries have formal urban decentralization programs directed at communities well below 100,000 in population.

We prefer the more functional distinction of the earlier Rivkin study, i.e. that the complexity of the cities' economic and social relationships is more significant than the number of inhabitants so far as their potential developmental role is concerned. While they may have grown originally through their functions as regional markets and/or provincial capitals, they have taken on additional functions as producers of goods and services for both their respective regions and export to other regions and abroad. Investment in these places could be pivotal in a strategy to diversify and geographically broaden a national economy.

These communities demonstrate that contemporary economic diversification, improved income distribution, and urban attractions for rural emigrants can exist outside the traditional main metropolitan centers. From the standpoint of administration and land use control, their physical development is still a good deal more manageable than the major metropolises whose internal densities and peripheral sprawl have drawn the attention of central governments and international agencies alike. At the same time their rapid growth justifies claims for help in providing infrastructure, housing, and services — claims that put the intermediate cities in direct competition with the major metropolises for limited public funds and skilled administrative manpower. This situation strains the capacity of national resource management and requires reconciliation among politicians, planners,³ and governmental agencies at the national, regional, and local levels.

The Rivkin study cited above set forth four reasons for specifically including secondary cities and addressing their problems in the formulation of national development policy.

A. Rapidity of population growth. The need to absorb massive population growth, far in excess of rates ever before experienced, puts demands on facilities and services that cannot be met by present capacity or by past practices of gradual extension. Housing sites must be found, a residential building industry mobilized, and schools, health services and commercial facilities created from whole cloth.

B. Presence of growing industrial or agricultural processing activities. These core activities themselves require adequate sites and services. Once they reach a certain scale, ancillary or complementary

3. Rivkin Associates, Land Use and the Intermediate-Sized City in Developing Countries, New York, Praeger, 1976, p. 4.

economic enterprises are attracted. Sites and services for these are required as well, and the process of creating industrial estates or accommodating a complex or commercial services is far more involved than planning facilities for a single plant. The linkages among these economic activities are critically important, forcing ever-more attention to distances, land use relationships and urban transport for materials and labor.

C. Increase in the physical "trappings" of modernization.

Automobiles, multistory buildings, supermarkets and such are signs of both economic complexity and rising aspirations on the part of the populace. They cannot be supported by a rudimentary street system or primitive sanitation devices.

D. Growing threats to the community's environmental ambience.

Environmental amenities -- open space, scenic views, beaches, woods and easily accessible countryside -- which compensated for relative economic deprivation at an earlier and less pressing stage of development are increasingly threatened. As the growth pressures mount, conflicts and inadequacies intensify and orderly absorption of new development seems to defy achievement. Without public action to protect clean air and water and maintain areas of natural value for recreation or simply visual relief from the man-made character of the urban environment irreversible degradation will occur. Loss of these amenities will have ramifications beyond aesthetic values and even public health, for they are part of the package of assets the city can offer to potential investors and residents. Without such advantages the secondary city's competitive position relative to the prime metropolis is significantly weakened.⁴

Since these observations were made, Rondinelli and others have amassed data that indicate a proliferating number of communities in these circumstances.

United Nations demographic surveys indicate that the number of intermediate cities -- those between 100,000 and the largest city in the country -- more than doubled between 1950 and 1981, from 301 to 644. In Africa, the Middle East and South America the number of intermediate cities more than tripled. By 1980 there were 81 intermediate cities in Africa compared to 22 in 1950; in the Middle East the number increased from 19 to 66 and in South America there were 110 such cities compared to 34 in 1950. In Central America middle-sized cities increased from 13 to 37, and in Asia their number grew by nearly 65 percent to about 350 over the three decades.

Some developing countries recorded sharp increases in their numbers of middle-sized cities since 1950. The number grew from 5 to 14 in Egypt, 5 to 22 in Nigeria, 7 to 17 in South Korea, 76 to 144 in India, 8 to 20 in Pakistan, and 6 to 15 in the Philippines. In Iran the number of middle cities increased from 7 to 24 and in Turkey from 7 to 20. Mexico's intermediate cities increased from 11

4. Ibid, pp. 17-18.

in 1950 to 30 in 1980. During the same period they increased from 12 to 43 in Brazil and 7 to 23 in Columbia.⁵

II. Recent Research

While secondary cities are becoming a larger factor in the urbanization picture in many countries, the optimistic portrait of their present contributions to national development has been dampened by evidence revealed in Rondinelli's research. Many of these cities are stagnating -- mired in a vicious cycle of inadequate services, poor administration, weak financial capacity and lack of investment. Rather than attracting the hoped-for economic growth and diverting migrant population from the primate cities, these secondary and intermediate size urban areas have been unable to overcome impediments to more active development. They are characterized by high unemployment and marginal enterprise, as well as dependence on national treasuries whence comes the principal support for their minimal levels of services.

The general picture that emerges of middle-sized cities in developing countries is that they are growing rapidly in population in most nations, and in number in a few; that their economies are becoming increasingly diversified, especially in nonagricultural sectors; that they support large numbers of small-scale commercial and manufacturing activities; that they perform a mix of urban and rural functions; and that they provide services, facilities, employment opportunities and marketing and trade services that are more accessible to a larger number of people than those in smaller towns and rural areas. Yet, the impression that also emerges is that middle-sized cities play a relatively weak role in national development...In most countries they account for a smaller percentage of the urban population than the largest metropolitan center, they have grown relatively slowly compared to the largest metropolis, they have absorbed a smaller portion of urban migrants, and their prospects for relieving population pressures on the largest cities seem relatively limited in much of the developing world if current demographic trends hold for the rest of this century. Middle-sized cities provide substantial amounts of employment in agricultural processing, commercial and service activities and in cottage and artisan industry for their own residents, but have limited capacity to absorb large numbers of rural migrants. Their share of manufacturing activities is often far smaller than that of the largest cities, and their ability to compete with the major metropolises remains weak. Many middle-sized cities remain partially rural in economic base, lifestyle, and physical characteristics; the quality of their social services and facilities remains far below that of the major metropolitan areas; and their share of commercial and service activities often seems to be disproportionately low compared to their share of population.

5. Rondinelli, Op Cit., p. 44.

Why have middle-sized cities remained a relatively weak component of the urban settlement system in developing nations? The reasons differ from country to country, but one frequent and common reason is that these cities have received a disproportionately low share of national investments in infrastructure, services, industry and other activities compared to the largest city in the country in nearly every developing nation. The competitive advantage that the largest metropolises, and especially the national capitals, maintain over intermediate cities is not due entirely to superior location or efficiency, but to the fact that national governments in many developing countries have favored the largest cities in the allocation of the kinds of investments that support industry, create job opportunities, provide better health, educational and social services, and offer amenities that attract higher skilled and better educated workers, foreign and domestic investment, and entrepreneurs.⁶

Rondinelli goes on to examine a wide variety of data on population and economic development of secondary cities. His conclusions represent a concise statement of the prospects faced by countries and international assistance agencies who embark on policies to encourage secondary city development.

In brief, the case histories and studies of secondary cities in developing countries suggest that they can perform a wide variety of social, economic and service functions that are important to regional and national development, although all secondary cities do not perform all of these functions or perform them well. Moreover, under proper conditions, secondary cities can be forces for the development of their hinterlands and for integrating urban and rural areas within developing regions...A well-distributed system of secondary cities seems to be needed to ensure that the benefits of urban growth spread to towns and villages in rural regions. Secondary cities, in turn, must be linked to smaller cities and market centers for innovations and economic stimulants to make their way "down" the hierarchy of settlements and "outward" from the urban core...The creation of a system of secondary cities may allow these larger urban centers to increase the access of rural people to their urban services and facilities, job opportunities, and amenities more effectively.

But whether secondary cities grow spontaneously or their growth is stimulated by government investment, their development creates new problems as well as new opportunities, and both must be considered in international assistance programs and national development strategies.⁷

6. Rondinelli, Op Cit., pp. 94-96.

7. Ibid., p. 239-41.

Political factors, as well as economic, are forcing an increasing number of countries to formulate decentralized development strategies. Outlying regions are aware of higher incomes, more consumption goods, better services at the metropolitan centers. They want some of their own. There is pressure to distribute the benefits of development. Everywhere the word is "balance". The precise meaning varies from place to place as do the measures taken to achieve it with respect to the secondary cities.

As some countries evolve secondary city policy, they are as concerned with removing obstacles to economic and social development as with channelling the physical manifestations of growth already under way. The frame of reference varies from country to country, depending on over all development strategy and available resources. Some look toward long-range future growth for the secondary cities; some, toward more immediate development investments or toward improvements in present living conditions.

Indonesia's program, for example, is largely remedial -- providing water supply, waste disposal and treatment and housing rehabilitation in cities where these corrective measures are needed as a prelude to increased economic development. In Tunisia, the central government is gearing its new five-year plan to direct invest into smaller intermediate size cities and towns where there is little productive capacity at present, essentially by-passing the two principal secondary cities of Sousse and Sfax. These which are classed with Tunis as "high income" urban areas, able to function with little outside assistance. Korea's multi-faceted program is directed toward both growing and stagnating cities in an effort to create what Friedmann terms "an integrated space-economy". Retarding the expansion of Seoul and Busan is the chief objective there.

The nature of these efforts, the principles upon which they are based, the issues they raise, and the particular roles of land use planning are discussed in the Chapters II and III.

Chapter IV considers the role for assistance by international agencies in promoting secondary city development. Its conclusions are heavily influenced by the lessons of AID Office of Urban Development's land use programming demonstration as well as the recent efforts of the countries which have been the subject of special case studies for this present work.

Chapter II. Overview

Case studies from five countries -- Brazil, Indonesia, Kenya, Korea and Tunisia -- are the chief source of information on the nature of contemporary programs for secondary cities of the developing world. Each of the nations examined here has established some form of national urban decentralization policy supported by programs to strengthen secondary cities. This is the common thread.

The countries differ markedly in such matters as geographic location, population size, level of economic development, level and scale of urbanization, and previous experience with efforts to improve secondary cities. Indeed, in certain of these aspects they fall along a continuum. Brazil and Korea are relatively prosperous and urbanized. Both have considerable prior experience in development of secondary and intermediate size cities. Kenya is the least urbanized, has extremely low per capita GNP, and little prior activity to encourage decentralized urbanization. Tunisia and Indonesia come between the extremes in each of these factors. The sample of countries is not "representative" in all respects. Yet the variety of settings and circumstances examined can provide some important insights into how the developing world perceives and addresses the basic problem.

This chapter reviews the range of approaches, experiences, and lessons. The individual country studies that follow it provide more extensive assessment of the policies and programs and their respective settings.

The following table provides some base data on the countries:

<u>Country</u>	<u>1980 Pop</u> (million)	<u>1978 GNP</u> <u>Per Cap</u>	<u>Ann GNP</u> <u>Growth</u>	<u>% Pop</u> <u>Urban</u>	<u>% Urb Pop</u> <u>in Primate</u>	<u>Cities</u> <u>100,000+¹</u>
Brazil	119.5	\$1,570	4.9	67	16	68
Korea	36.6	1,160	6.9	65	41	35
Tunisia	6.0	950	4.8	52	31	3
Indonesia	136.0	360	4.1	20	23	27
Kenya	15.5	330	2.2	14	57	2

1. Secondary cities only, excludes primate city.

Regions represented extend across the developing world: Northern and East Africa, Asia, and Latin America. Populations range from relatively small (Tunisia) to relatively large (Brazil and Indonesia). Levels of development are from quite low per capita GNP (Kenya and Indonesia) to what the World Bank considers "middle income" (Tunisia) to Brazil and Korea whose per capita GNP's are among the highest in the developing world. Levels of urbanization also range from two predominantly rural countries (Kenya and Indonesia) to two which have clearly made the transition to predominantly urban nations (Korea and Brazil). Each

country has a dominant "primate" metropolitan region, although in Kenya the population of Nairobi is still under 1,000,000 while both Brazil and Korea each have two mega-cities (Rio and Sao Paolo, Seoul and Busan).

Brazil and Korea are the most urbanized with the largest number of cities over 100,000. Kenya is the least urbanized, with only two cities other than Nairobi at the 100,000-plus level.

While development characteristics vary, all the five countries share a similar feature of inter-governmental relationships. The central government is the principal source of public investment capital for secondary cities. Except for Brazil, which has a federal form of national government, and large independent states, all the countries have administrative systems characterized by highly centralized control. Even in Brazil, however, state and local governments are dependent on central authorities for major supplements to their constrained capital resources. Centralization of the principal source of public capital investment, and commensurate central government direction of the local development process, is characteristic of the developing world, and in this sense the sample is representative.

I. Basic Approaches

Each of the five countries has articulated national policy to foster decentralized urbanization, committing special earmarked funds from the national treasury for communities outside the primate center. The nature of these formal commitments differs considerably as each country seeks its own formula related to political conditions, available resources and the scale of urbanization. The two most developed nations, Brazil and Korea, have been in the business of formal urban decentralization for many years. Their current policies and programs represent the latest evolution of efforts with long histories. For Kenya, the least developed, the formulation of a secondary city policy with commitment of program funds is quite new.

In every case, however, an extremely high level of technical and analytic skill by native professionals has been involved in the framing of policies and programs at the national levels. Only in the two most developed, Brazil and Korea, is there a reasonably adequate cadre of trained professionals and administrators at the local level to participate in the policy and program formulation and to carry through with implementation.

A. Selectivity

The greatest danger in an effort to establish balance between the primate centers and other areas is dispersion of investment resources. There is a temptation to move too quickly in too many places, providing bits and pieces of special assistance in the hope that political pressures can be muted and that self-generating development in outlying areas will miraculously occur. While selection of a limited number of target centers in which to concentrate investment resources may be more

appropriate from a development standpoint, it carries inevitable political perils and the possible charge of exclusivity. Many nations have been through a struggle between dispersion and selectivity, especially in the early stages of grappling with the issues.

Each of these countries has attempted to be selective in identifying target areas. Yet the degree of selectivity, along with the degree of realism about accomplishing objectives within a stipulated time frame, appears to be directly related to current levels of development and previous experience with attempting diffusion of economic growth. Thus, Brazil and Korea have really been selective in identifying a limited number of target centers for application of investment, technical assistance and training over a five-year period. Kenya's concept considers projects in a very large number of centers relative to its available resources and technical capacity. Many of these places are quite small. Tunisia and Indonesia are between the two extremes.

All three of the lesser developed countries have established project implementation or other development objectives far in excess of what can reasonably be accomplished in the foreseeable future.

1. Brazil

Brazil has selected 10 cities out of 200 in the 50,000 - 500,000 population class as the focus of a comprehensive, federally assisted program of economic, infrastructure, and technical skills development. The World Bank is providing \$80 million of financing for that program which, over a five-year period, will channel a total of \$200 million of funds to the selected cities.

Brazil has had commitments to decentralized urbanization for two decades, yet this is the first effort to combine precise targeting with a wide array of assistance measures. During the 1960s the country began to provide special support to secondary centers. A special training and research institution was established (IBAM) with USAID assistance to upgrade the skills of municipal administrators. Dozens of cities received planning assistance under the SERFHAU program which made consultant professionals readily available. The National Housing Bank (BNH), armed with resources of the workers' pension funds, began to place housing and infrastructure investments in cities throughout Brazil.

Since the early 1970s the country has had a formal national policy stressing urban decentralization. Even as these separate efforts were under way, it became clear to both Brazilian authorities and the World Bank that an array of linked investments and technical assistance measures would be a preferable approach, and that the formidable problems of coordination and of allocation of limited resources mandated that the new "integrated" approach be tried out in a few communities only, at least initially. Thus ten cities, which seemed to have both promising development potential and influence on a larger rural hinterland, were chosen as targets for the comprehensive program.

2. Korea

Korea's experience has been similar to Brazil. There the new five year national development plan specifically targets fourteen urban areas of more than 100,000 population for a battery of development incentives and public sector investments. Approximately \$800 million of capital investment will be allocated.

Due to the rapid growth of Seoul (now over 6 million) and its vulnerability (less than 40 miles from the North Korean border), Korea has been stimulating decentralized urbanization since the 1960s. Express highways have linked cities throughout the country with each other and Seoul. Major industrial investments have built up Busan as a second "primate" and resulted in rapid growth of industrial centers such as Ulsan and Masan had but a few thousand residents a decade ago. A national land development policy calling for containment of the capital and distribution of investments elsewhere has been in effect for over a decade.

These measures have clearly had results. Seoul has continued to grow, but at a lesser rate and it no longer gets the bulk of new industrial investment and employment. Many other cities have become commercial and industrial contributors to the country's remarkable economic progress.

Nevertheless, Korean officials and researchers have become aware that many cities with potential lack critical infrastructure, housing, and social/educational services to be competitive with Seoul for investment and skilled population. This is the background of the National Planning Board's decision -- still to be ratified by the President and Cabinet -- to identify a limited number of places as targets for special coordinated assistance during the next plan period. Whether fourteen is too many, or the specific locations proposed will be those finally chosen are among the issues to be debated before the policy is formally and officially adopted.

3. Tunisia

Tunisia is less developed than either Brazil or Korea, but its population is now more than 50 per cent urban and it is considered a "middle income" country by the World Bank. It, too, has had a history of urban decentralization efforts, but not nearly as "formal" or extensive as the other two. In the 1960s, the Tunisians, assisted by international development agencies, were funneling investments outside of Tunis into the promising tourism/agricultural/industrial region along the Mediterranean coast. Two urban areas in particular, Sousse-Monastir and Sfax, were the beneficiaries and are now highly productive, rapidly growing centers with a wide array of urban services and facilities.

Tunisia suffers serious imbalance in the location of natural resources as well as incomes, and there is considerable political pressure to place investment in the country's interior communities. As in Korea, a new five-year plan is being drafted, stipulating priorities for

lagging regions and interior cities and developing a series of restrictions to deter further investment in Sousse and Sfax as well as Tunis. USAID has made loan commitments for housing, infrastructure and service investments in seven small communities of 2,000 - 45,000 population). The World Bank, in addition to investments in Tunis and Sfax, will be assisting a special centrally-based community loan fund to place and manage investments in urban projects throughout the country.

The Tunisians are extremely wary of the "targeting" concept. While they have created a new institution to deal with the regional physical implications of the plan, officials discuss designing programs for all or "many" interior centers. The dimensions of urban assistance have yet to be defined, but the Tunisians seem to be considering a dispersed community development effort which will severely stretch available resources and skills. This approach is being considered despite the opinion in some official circles that very little economic development can be expected unless individual communities have full complements of infrastructure, social, and recreational services.

4. Indonesia

Indonesia has a large number of secondary cities (27) but a per capita GNP which places it among the poorer developing nations. It must deal with rapid urbanization in many places, but using relatively meager resources compared with Brazil, Korea, and even Tunisia.

The Indonesians are, at this point in their development history, more concerned with creating minimally adequate levels of water, sanitation, and basic human services in their cities, than with stimulating economic development. Indeed, they envision creation of these minimal levels as a necessary prerequisite to economic growth. Thus they are at a different stage in their urbanization policy than Brazil, Korea, or even Tunisia.

Despite the political and human pressures to distribute limited investment resources, the Indonesians have made a serious effort at selectivity in their program: available investment funds are to be concentrated in ten major cities, 50 cities of 50,000-100,000 population, and 400 smaller communities. In addition, the specific investments in housing, a major program component, are to be concentrated in 30 of these. A great deal of international agency support is going into the Indonesian program: technical assistance at the national level, training of planners and managers, and very substantial levels of loan funding for certain target cities.

The Indonesian "targeting" decisions were reached in formulation of the current five year plan (Repelita III) which went into effect in 1979. Yet one must question whether the program is still too diffuse for achievement of even the minimum service objectives during the plan period. It is a sign of the formidable obstacles faced, that in only one of the "target" cities (Bandung) is the full array of investment and assistance measures in place as of 1982. The other cities are scheduled

for one or more of the program activities, but not the full and integrated combination.

5. Kenya

Kenya is the least urbanized and poorest of the five countries. It has the smallest primate center -- Nairobi is still below 1,000,000 -- only two cities over 100,000, and only two other settlements whose population exceeds 45,000. Kenya's second development plan (1970-74) called for a hierarchy of seven growth centers outside Nairobi, but according to reviews commissioned for the World Bank, relatively little implementation of decentralized investment occurred. Most upgrading and development activity has been confined to Nairobi and Mombasa. The one set of projects for the third city of Kisumu has encountered serious implementation difficulties.

Currently, however, Kenya has with the urging of three international agencies (USAID, the World Bank and Britain's ODA) embarked on a major program of decentralized urban development. Target communities have been selected for the estimated \$40-50 million of international assistance coupled with domestic funds. Yet the targets are numerous. They total 36 cities, towns and secondary service centers, more even than the number targeted for shelter support in Indonesia, a country many times Kenya's size. Methods and timing for the Kenya program have not yet been finalized at the time of this writing but issues of implementation will be large, indeed, so long as what is effectively a "dispersed" investment approach remains in effect.

B. Institutional Adaptation at the National Level

Each of the case countries has a highly centralized form of government or, in the special case of Brazil, a decentralized administrative system heavily dependent on the federal government for development investments. Allocation systems, and the corresponding institutions which administer them, seem to sustain the dependency of individual cities.

Despite the wide difference in actual administrative organization, the allocation methods have been basically similar: sectoral agencies at the national level have determined, on the basis of their own priorities, which communities receive individual sectoral investments. When these investments have been linked in concept (e.g. housing, industrial development and infrastructure) serious coordination problems have been encountered in their application.

Effective decentralization of urban development requires, at the very least, coordinated programming of investments and technical assistance for given cities at the central level. Essentially, this means adaptation of institutions of central government to achieve the necessary linkages.

Such adaptation has occurred or is occurring in each of the five countries. As a sign of commitment it is no longer "business as usual" among the ministries and sectoral agencies, although the extent of adaptation and the degree of effectiveness varies.

In Brazil a strong coordinating body, the Council on Urban Development (CNDU), has been established within the Ministry of Interior. It has its own technical staff to administer and monitor the program. On this body are represented the top officials of the individual sectoral agencies and institutions (BNH) who provide the central government's investment resources.

Korea's new five year plan calls for major reorganization to implement the new secondary city program. Some key decisions remain to be made. Alternatives under consideration range from creation of an omnibus Urban Development Corporation to conduct integrated projects in the target cities, to a restructuring of responsibilities of the two key ministries, Construction and Home Affairs, in provincial level construction bureaus. Until the matter is resolved, direct supervision of activities for the target cities will be exercised by the National Planning Board under a Deputy Prime Minister. Similar to Brazil, a special coordinating committee will be created, comprising representatives from all of the implementing agencies along with senior technical advisers.

Tunisia, too, has moved towards consolidated responsibility, although not quite to the degree of the two more developed countries. A "super regional" commission has been established to formulate physical and economic development programs throughout the country. It is still unclear whether that Commission will control central government investments or will play more of an advisory and coordinating role. A Central Projects Unit has been established within the powerful ministries of Finance and Interior to provide municipal planning and management assistance and to supervise a special municipal loan fund. The Ministry of Equipment and several parastatal agencies which develop housing, industry, and utilities, will continue to allocate their own resources to individual communities, within the guidelines of the new five year plan.

Indonesia has evolved an unusual mixture of formal and informal institutional relationships to foster coordination of central government investment in the target cities. As in Korea, two Ministries (Construction and Home Affairs) have principal responsibilities. The former implements the full range of capital investments allocated to the target cities and provides urban planning assistance to knit these projects together at the local level. The Ministry of Home Affairs is responsible for approvals of both plan and annual capital project budget. In a series of marathon sessions at the end of each fiscal year, the two agencies meet to determine the final project package for each city. Given the scale and complexity of Indonesia, this process could become extremely cumbersome, but a set of strong informal relationships has been created between the two institutions which permits bureaucratic protocol to be downplayed and a cooperative effort on resource allocation to succeed.

In Kenya redistribution of authority and responsibility at the national level is under way. Three agencies (Ministry of Urban Development and Housing, Ministry of Local Government, and Commissioner of Lands) have principal responsibilities for allocating and supervising investments. One initial step toward coordination has been transfer of the Physical Planning Department from MLG to the implementing MUDH. The more important step, backed by the international agencies, is to create a Project Planning Unit within MUDH to play a major role in forging interministerial ties and coordinating the activities of national, provincial, district and local authorities. The Project Planning Unit will monitor the flow of funds and exercise over all control of the project schedule. This PPDU is to receive technical assistance from the international donors.

In concept it is similar to the coordinating project units in Indonesia, Tunisia, and Brazil, all fostered by international agencies in an effort to obtain coordination at the national level. Only Korea has moved in the direction of integrating their urbanization policy, of which the secondary cities program is a component, into over all national planning.

C. Application of Approaches Tested in the Primates

Interest in secondary city development tends to emerge after a country has tried to grapple with primate city or metropolitan growth. Wider application of the approaches and types of projects devised for the metropolitan centers is usually the heart of the secondary cities program. How to mount a program consisting of multiple, scaled-down versions of the solutions tried in the primate cities is the concern of the countries studied, except for Brazil. Adaptation for the secondary city context appears to be treated mainly a matter of adjusting institutional arrangements to the new demands of planning and implementing concurrent and widely dispersed projects. Quite understandably, issues of administrative capacity and personnel training are coming to the fore in connection with the secondary cities development programs; similarly, questions of reconciling the need for central government accountability and control with also-recognized needs for local participation. The nature and extent of the role of local government in these programs, and the appropriate channels and processes for local participation are given varying degrees of attention, largely from the point of view, however, of inputs or responsibilities to a central government undertaking.

Brazil is the one country of the five which is not "imposing" centrally formulated solutions and institutions on its target cities, even though national institutions such as the Housing Bank, which began its operations in the principal cities, are among the implementing agencies involved. In Brazil, the projects proposed and funded have been largely generated by local governments who have prepared integrated, "justifiable" programs for funding. That this has occurred, reflects Brazil's relative level of development (the highest of the five countries), the degree of autonomy of its state and local units of government, and its

relative abundance of skilled technical and administrative personnel in secondary cities. This latter is a situation toward which Brazil has been working 20 years.

The other four countries aspire to being able to rely similarly on the competence of local authorities for identification and design of fundable projects. One lesson of the Brazilian experience may be, however, that such local initiative can only occur after a long effort to develop local technical capacity -- a matter which the three least developed countries are only now beginning to address. Another issue related to development of local leadership is the matter of the stakes that are involved, i.e. discretionary resources that are available at that level.

In Korea, one of the main participating agencies is the National Housing Corporation which began building housing estates in Seoul during the 1960s and has gradually expanded its operations nationwide. Its production level of over 45,000 units annually is one of the largest in the world. The high rise, high density projects designed for Seoul's conditions of pressing need and the scarcity and costs of land there have been modified for the intermediate size cities and towns elsewhere in the country.

In Tunisia, the three main parastatal organizations which develop housing, community services and industry along with the utilities development corporations all began their operations in Tunis. Lessons learned from these projects are now being applied in the secondary cities. Urban upgrading has recently been attempted in Tunis for the first time. After much initial reluctance the government is now committed to upgrading as an approach for the the secondary centers, using institutional arrangements and data gathering techniques developed in Tunis.

Indonesia is applying the form of urban development activity tested in Jakarta. Late in the 1960s the country elected to pursue urban upgrading in Jakarta. Rather than tear out informal settlement areas (kampungs), the government embarked on a Kampung Improvement Program, with World Bank assistance. Jakarta's KPIs are the model for urban initiatives, widely studied for applicability elsewhere in the world. They involve installation of minimally sufficient services, upgrading of major water, sanitation, and solid waste systems and assistance to families with reconstruction or repair of their dwellings.

In Kenya, it is the basic urban development solution, tried first in Nairobi and Mombasa, which will become the principal vehicle for the secondary city improvement program. This involves sites and services combined with basic infrastructure.

II. The Kit of Tools; Content of the Secondary Cities Programs

Each of the countries studied is committed to invest in "packages" of projects for its secondary or intermediate size cities. The project

combinations include capital investments, sometimes additional incentives for locating industrial or commercial facilities in the targeted communities, technical assistance and training. Generally all countries are sufficiently sophisticated to recognize that a single capital project (e.g. a factory or a water system) is insufficient to stimulate development. In this sense they are more sensitive to realities of the development process than countries which tried to decentralize growth a decade or more ago by scattering individual investments among numerous communities.

Yet, the five countries differ considerably in the array of tools they apply. Brazil and Korea have the widest array, and the greatest apparent flexibility. All can be modified to suit local conditions. Those in the less developed nations (particularly Kenya) are limited in both number and flexibility. The variety of development tools and the sensitivity with which they can be applied may well be a function of past experience and relative amount of resources available.

A. Brazil

Brazil has used industrial location incentives and investment as direct techniques of urban decentralization for many years. The formal secondary cities program encompasses a much wider range of measures and includes assistance to develop the local economy, to expand infrastructure and housing, and to improve municipal administration. The program in one city, Natal, is indicative of the others. It comprises thirteen undertakings distributed in three general categories.

1. Economic development and job creation: provision of facilities for public markets; financial, technical and facilities assistance to fishermen's cooperatives; technical assistance to commercial and industrial firms with fewer than ten employees.
2. Infrastructure, community facilities and services, and housing: water, sewer, and storm drainage expansion; improvement of garbage collection and disposal; transportation improvements including both road extension and bus service; expansion of a sites and services program; construction of public health clinics; construction of a police substation.
3. Municipal government improvements: provision of electronic equipment for financial control activities; improvements in record-keeping and other aspects of cadastral surveys.

B. Korea

Korea, perhaps the most centrally controlled of the five countries in the study, has been able to carry out a wide variety of investment projects in selected cities: industrial estates, major transportation facilities construction, electrification and communications

installations, water and sewer systems, housing estates, health and education projects and the like. Combined with these have been credit programs, technical assistance and training for local administrative personnel.

Korea has also instituted substantial economic incentives and penalties to direct new industrial investment to locations outside Seoul. Other measures, including special Seoul resident taxes and limitation of enrollment in the capital city's universities have been tried. Under the new five-year development plan, all these measures and others will be promoted.

A new emphasis on improving the living environment with cultural and social facilities and services is under discussion in some official circles, with the objective of bringing certain high-priority target cities up to Seoul's standards. While recognizing that the target cities should, in principal, offer attractions comparable to some degree with Seoul's, the planners also include improved access to Seoul from the target cities as a key element in their strategy to make these cities attractive to potential investors and residents

C. Tunisia

Tunisia also offers tax and capital loan incentives to private enterprise. Its main development tools are serviced industrial sites at low cost, provision of a package of housing for a wide range of income levels combined with commercial services and community facilities, and shelter upgrading. These are slated for financing under the new five-year plan, supplemented with external assistance. In addition the special loan fund for municipalities is being expanded and considerable technical assistance will be applied to identify feasible projects of various kinds at the municipal levels.

D. Indonesia

At a GNP per capita less than one-half that of Tunisia, Indonesia's primary concern is to provide minimally standard levels of services in its secondary cities and smaller communities. These minimal services are seen as a necessary prelude to economic development and comprise the basic program. They include the Kampung improvement upgrading, water, sewer, solid waste, drainage, and sites and services.

PERUMNAS' program of conventional housing construction is coordinated with these other improvements. Technical assistance is also being applied in planning and project management, and the country, with international support, is embarked on a major effort to provide technicians, administrators and planners for the smaller cities.

E. Kenya

Kenya is the poorest and least urbanized of the five countries, and has the most limited number of components in its secondary city tool

package. These are primarily sites and services and upgrading along with associated utilities improvements. While Kenya is committed to training and technical assistance and income generation projects as part of its program, these components have yet to be detailed.

V. The Issue of Decentralized Responsibility and Control

An effort to develop secondary cities affords a fundamental challenge to the basic structure of governance in developing countries. Over and above the basic requirements for public and private capital is the need to devolve increasing responsibility on local authorities and to obtain increasing participation from local individuals and groups.

Capital investment may come from the center, but project implementation cannot be administered entirely from the center. Rondinelli, Rivkin and others have observed that successful cases of secondary city development invariably involve management, participation and, ultimately, investment from the cities themselves.

Yet most developing countries are highly centralized, and political, as well as administrative and fiscal, controls are exercised by the national government. The "dependency" tradition is a strong one, and any efforts to lessen economic dependency invariably involve the prospect (perceived, in some cases, as a threat) of more independent political decision-making at local levels as well. Each of the five countries in this study has recognized the twin necessities of on-site coordination of investments and local involvement. None of the national governments is eager to relinquish control of its funds, however, and each is trying to rearrange its institutional structure with great care.

The most common approach is establishment of regional or local offices of central government implementing bodies to supervise construction of projects approved, if not designed, in the capital. Yet each country has also tried to induce some form of local participation in program planning and project formulation. The results vary. Again, we see a spectrum, with the greatest measure of local participation in the most developed country, i.e. Brazil, and the least in the poorest nation, Kenya.

A. Brazil

Among the countries studied, Brazil's local authorities bear the greatest responsibilities for intermediate city development programs. Mayors and councils of the target cities are elected. They and their staffs have generated the project ideas. A project management unit has been established within each city administration to direct and monitor the program, and each city has the responsibility to make major fiscal contributions. At the same time a complex monitoring and approval structure has been imposed with final decisions on most major investments coming from CNDU and the sectoral agencies involved in implementation. At least in the case of Natal, where local political responsibility and technical competence exist, the effort appears to be working well.

B. Korea

Korea is a highly-disciplined country under what is effectively central military rule. Although the law provides for election of local mayors and councils, such elections have not been held for many years. Local government administrators are members of a professional cadre of civil servants responsible to the Ministry of Home Affairs, or in the case of the four largest urban areas, directly to the Deputy Prime Minister who is also the chief executive officer of the National Planning Board. Many Korean cities are developing rapidly. Numerous investments are being placed by the national government and generated by local private business. Korea's development programs have thus far been managed through decentralized units of national government implementing agencies. There is some involvement of local business and professional leaders, mainly through committees advisory to the government.

Perhaps the key to Korea's effectiveness has been competent municipal administration. Mayors can and do hire the professional and technical staffs to help manage the cities, and they have resources to obtain such assistance as they need from outside consultants. Indeed, Korean cities are operated very much as cities in Europe or the United States, but for the absence of locally-elected officials. Even so, many Korean observers see the new targeting program as demanding greater public participation at the municipal level, if its objective of creating significant economic growth in fourteen centers is to be achieved.

C. Tunisia

Tunisia is just beginning to deal with the political and administrative issues posed by decentralized urbanization. Thus far the major step has been creation of regional offices for the principal development agencies. Although provincial governors are appointed by the Ministry of Interior, local mayors and councils are elected. The successful experience in secondary city development at Sousse and Sfax has benefited from the considerable leadership of these elected local officials and from their ability to muster professional staff support.

Similar local leadership and competence has rarely emerged elsewhere. Tunisian central government officials are quick to state that unless this materializes, the decentralization effort will fail. Several approaches are being considered to stimulate greater local involvement and competence. All the parastatal agencies confer with local officials before finalizing project sites and project plans, and local approval is required. Communities are now required to prepare five-year project investment plans, and they will receive technical assistance in refining these plans.

Although the training activities have not been precisely defined, both the central government and the international aid agencies are committed to improving the caliber of local administrators. Residents of the informal settlements to be upgraded will also be involved in project formulation and execution.

D. Indonesia

In Indonesia, central government implementing agencies are decentralized to the provincial and local levels. Mayors and councils meet with staff of these agencies to draft annual capital investment plans. The Bandung urban development program is the intended model for all the comprehensive secondary city efforts. Its implementation is being handled by a joint authority, representing both the central government and the municipality, under direction of a single administrator.

Indonesia's most successful attempts at participation have been in the Kampung improvement projects, largely because of the extensive political/administrative organization in Indonesian society which establishes chains of command down to the neighborhood and block level. Using these chains of command, community organizers have obtained help, e.g. labor, ideas and support from the Kampung residents. Results have often been spectacular, as the residents proceed to improve their dwellings and establish new enterprises once the infrastructure and community facilities improvements are installed.

E. Kenya

One of the objectives of the national program is to increase local government decision-making and management capacity. Elected town councils have responsibility for administration, but derive most of their resources from central authorities and have been little tested as development managers. In Kisumu and Mombasa, local Housing Development Departments have been established to help plan and manage sites and services projects. Apparently, however, these have taken considerable time to staff and to gain acceptance with central government agencies. Although the expanded program calls for projects in 30 cities and towns and the training of local officials and technicians, an approach has not yet been formulated to meet the local participation objectives.

VI. Local Fiscal Contributions and Responsibilities

There is general recognition that local government must bear increasing responsibility for financial contributions to the development process. All the countries believe that central government's capital investments, no matter how massive, can in the long run be considered only "seed" money. The municipalities need to finance increasing shares of public works, partly because of a limit to central government and foreign or international agency capital, and partly because of the belief that once communities begin to risk their own funds, they will have a greater commitment to effective program management.

There are several problems with this view. The local communities have limited revenue-raising authority. Even more important, many of the municipalities, because of endemic poverty, poor or non-existent records, and limited will, do not even collect the revenues to which

they are entitled. One of the major achievements of AID's pilot urban assistance program in Tamale, Ghana, was training of students hired -- and paid -- to collect taxes.

The issue of local fiscal responsibility was not directly addressed in the field investigations, but it came up regularly in discussions with officials in all of the countries. In Korea and Brazil, local revenue resources are relatively significant. Natal, for example, raises 60 per cent of its operating and capital budget through taxation and other levies. In Korea, most intermediate cities manage to finance about half their operating budgets through property taxation and other local sources of revenue. In these countries, however, the aspiration levels are high as well. Development programs which call for increasing levels of amenities, cultural facilities and social services in advance of the contributions that new development will eventually make to the local tax base present a particular problem. Thus the programs in both countries call for improved record-keeping and wider local taxing authority or new mechanisms in the realm of public finance.

For Tunisia, Indonesia, and Kenya the prospects of many centers becoming competitive with the primates are much farther in the future. In all three countries the issue is provision of basic human services. Local governments provide minimal portions of operating budgets and almost no capital investment. Without economic growth the chance of increased revenue raising is dim, and a vicious cycle ensues. For two of the cases, Tunisia, and Indonesia, there is a commitment to increased local funding. Both countries have instituted loans at little or no interest with long amortization periods for projects such as water supply and public markets. Both countries are also instituting technical assistance to improve cadastral records and tax collection procedures. The minimal financial contributions by localities that are possible in each of these three countries, however, casts additional doubt on the viability of a program with so many cities targeted for development.

VII. International Assistance

International financial and technical assistance and training have major roles in the secondary cities programs of all the five countries examined. In certain respects -- particularly in Brazil and Kenya -- the intervention of international institutions has contributed to the basic policy formulation of the programs. The institutional reorganization under way at national and local levels in Brazil, Kenya, and Tunisia has been spurred -- and perhaps required -- by the international lenders. These are delicate, and in some respects creative, roles. Responsive host country governments make such roles possible. The prospect of large capital loans to finance essential elements of the decentralization programs is an important factor. All of the countries are investing domestic capital in the development programs as well, but whether the scale of the programs would be so ambitious without the external donor agencies' participation is an open question.

The types of activity vary along with the institutions who are participating, although the World Bank and USAID are the principal actors.

A. Brazil

In Brazil the World Bank is the major external donor agency participant. The Bank's intervention was significant in the formal establishment of the secondary cities program and the restructuring of capital allocations for the target cities at the national level. Project management units were created in the target cities, and the strategy-oriented approach to project selection accepted. With the Bank's \$80 million in seed loans, a total of \$200 million has been obtained for the program.

Although USAID is no longer active in Brazil, its support almost two decades ago of the public administration institute (IBAM) helped provide Brazil with the means of developing a force of skilled administrators and technicians for the smaller cities. Without these personnel Brazil's cities would not have the capacity to carry on the project planning and urban management essential to present secondary cities program.

B. Korea

International institutions have played a somewhat less central role in Korea. The policies, programs and administrative organization have been created by the Koreans themselves. Both the World Bank and USAID have seeded some of the program activities: AID (which is no longer active) by housing loans to secondary cities during the 1970s and the Bank, through its extensive pilot regional development projects in Gwangju, its assistance in establishing the Korea Land Development Corporation and training its personnel, and now with a major housing loan of \$ 90 million to the Korea National Housing Corporation and the National Land Development Corporation.

C. Tunisia

During the 1960s and 1970s World Bank investments, particularly in tourism and transportation spurred the development of Sousse and Sfax as major secondary centers. USAID began to program housing loans for secondary cities several years ago. Now both the World Bank and AID have joined forces to provide project loans for upgrading, management, and technical assistance in several secondary centers and have influenced central government reorganization by pressing for a Central Projects Unit to administer the program and to expand other loan opportunities to the municipalities themselves. Over and above these activities, Tunisian land use planning has been greatly influenced by a substantial number of Peace Corps Volunteers stationed in the secondary cities a decade or more ago.

D. Indonesia

In Indonesia both the activities and the number of participants are major. Several years ago the World Bank supported Kampung Improvement in Jakarta and has continued to participate in succeeding generations of the program, now extended to secondary cities. The Asian Development Bank and USAID provided planning grants for infrastructure and land use planning in two major cities (Bandung and Medan, respectively). These projects are now being followed by internationally-supported implementation efforts. ADB's \$14 million loan to Bandung, combined with continuing technical assistance, supports that city's comprehensive improvement program which is to be the model for other areas. UNICEF and the Dutch Government have provided grants, loans, technical and training support.

Now USAID itself has embarked on a significant program to provide both funds and instructors for training in urban and regional planning. The objective is to help increase local technical capacity in the target cities.

E. Kenya

World Bank, AID, and ODA have had considerable influence in helping the Kenyans formulate a policy for secondary urban development. The three donors combined are providing \$40-50 million in loans to support sites and services and infrastructure projects. These agencies, it may be expected, will provide technical and training assistance as well.

International agency support of secondary city development in the five countries in this study, as in others, is significant as decentralizing urbanization emerges as a development priority. Most of donor activities in this field are relatively recent and can not yet be assessed for their effectiveness. Given the substantial commitments being made, however, the information gleaned from the AID pilot projects and the country case studies should be of interest.

Chapter III. Urban Planning and Land Use Management

A principal purpose of this investigation was to examine the role of land use planning in secondary city programs, and to assess the form and content of current planning practice. A number of conclusions can be drawn.

I. The Role of Planning

All of the countries regard urban physical planning as a useful tool in management of secondary cities. Land use planning in one form or another is being conducted in all five. The role of that planning, however, in directing development within the cities themselves and in influencing activities under the present decentralization programs is generally quite modest.

In every case project development and implementation are emphasized by both national governments and city administrations. The time frame is short term, and long term land use objectives, with the notable exception of Korea, are given little credence.

Thus, the concept of the urban master plan which prescribes ultimate objectives for city growth and identifies uses, densities, and enforcement procedures in considerable detail is, for all intents and purposes, dead. This is true despite the existence of previously-prepared master plans in all of the countries. Such master plans are now generally ignored and are not being replicated. Korea again is the notable exception, resolving the "issue" by continuing to commission both long term master plans and short term staging and implementation programs. Even in Korea the annual plan (a sort of capital budget) and the five-year development plan for a city is given greater weight than the long-range plans when project commitments are in question. In other words, the planning that is more closely linked with implementation programming is the more effective in shaping a city's future.

Planning and its advocates have been forced to adapt to the new circumstances of the short-term imperative. In the four most developed countries adaptation has occurred and urban physical planning does have bearing on major development decisions for the secondary cities. The terms "some bearing" and "modest" are appropriate, since any controlling force of urban plans now normally gives way to the perceived imperatives of projects for which capital investment is available. These imperatives may or may not be consonant with prescriptions of the formal long range planning instruments. Where conflicts exist, they are invariably resolved in favor of project requirements.

In Brazil, Korea, Tunisia, and Indonesia efforts are being made to integrate land use planning with the more compelling project design and implementation programs, as one of the processes through which these programs are assembled. Form and content of these efforts differ among the countries as each seeks its own most relevant approach.

A. In Brazil land use is one of the concerns addressed by the municipal planning offices which are the key conceptual and monitoring institutions within the ten cities of the program. These offices, staffed with professionals conceive the initial package of projects to be funded under the program. They prepare:

1. A detailed "profile" of the community. This is a collection of connected data on all aspects of the city and a review of problems or of major issues to be addressed by a development program. The issues cut across sectors. Job creation and assistance to the urban poor are as important, if not more important than housing, land development, and other physical matters.
2. A preliminary development strategy for the municipality. This establishes targets for each of the problems and outlines how the municipality, with outside financial and technical assistance, will proceed in each case.
3. Detailed specifications of the various projects to be undertaken to meet the targets.

This form of planning is a far cry from the type of urban planning practiced in Brazil during the 1960-70 period. A decade ago, under the SERFHAU program, the Ministry of Interior commissioned dozens of comprehensive city master plans, delineating long term development objectives. Those were prepared largely by private consultants working out of Rio or Sao Paulo.

At that time municipalities had to have such plans to qualify for various government grants. But growing concern was expressed that those plans often lacked a sense of reality, were necessarily static in character, and were fat with a maximum of data and detail. Even when small teams of SERFHAU staff members were, themselves, involved in the preparation of the plans and in the effort to encourage adoption of more sophisticated local planning procedures, communities often failed to respond.

Consequently, SERFHAU was dissolved in 1974 and the loan program for local planning was taken over by BNH. By 1981, the local planning assistance program had virtually ceased to exist and BNH was doing little or nothing to promote it.

Natal, the city studied during the field investigation of this report, was one of those for which a SERFHAU-sponsored plan had been prepared. Apparently its prescriptions were ignored by the National Housing Bank and other federal and state development agencies, with the result that new development sprawls extensively beyond the existing urban area and its utility systems. A new comprehensive plan has been prepared by a local adviser, but it seems not to be a significant factor in the project decisions of the CNDU-financed program. CNDU will

provide land use planning assistance if requested, but this has not been a priority for Natal.

One can only assume that the same public sector developers whose investment went unguided by Natal's master plan were similarly oblivious of other cities' plans, and that the disenchantment with conventional master planning reflected at Natal is quite widespread.

While land use is a factor, the new project-oriented approach to planning, at least in the case of Natal, seeks to skirt issues attendant to the management of land in order to concentrate on promoting locally-managed action projects.

- B. Korea still places a high priority on planning for land use in its secondary cities. One factor, which differentiates Korea from Brazil and may explain the continuing concern is the absolute scarcity of land in many of these centers. Agricultural activity continues to be important. Rice and other crop cultivation, with high rural population densities, takes place right to the boundaries of urbanized areas and, indeed, may be found on vacant parcels within the cities themselves, in highway rights-of-way and even up to the doorsteps of industrial plants. Conversion of this land to urban use is effected only after considerable municipal review.

In the past it has been relatively systematic, involving the application of land re-adjustment measures whereby property owners permit the municipality to plat "pools" of properties, subtract land for utilities, assisted housing, and other public purposes, and then return the resubdivided parcels to their original owners for development according to a set of prescribed uses.

Thus Korea has continued to commission highly detailed and "comprehensive" end-state master plans covering a development period of twenty years for its secondary cities. These plans set forth general guidance concerning the physical character and direction and set standards for future growth of the community. They discuss land use patterns, zoning and greenbelts, community facilities, etc. Their most carefully elaborated elements are those which concern the major works construction programs of the Ministry of Construction.

Development of residential areas is treated in much more general fashion, by delineation of zones and establishment of standards to govern future growth, e.g. density and community facilities or services. In this respect they are quite similar to the general plans of many communities in the United States. Timing of implementation projects, budgeting and assignment of executing responsibilities to particular agencies tends not to be addressed in the plans.

One reason for this form of master planning, not available to lesser developed countries, has been the abundant supply of trained professionals to conduct the work. In addition to over 50 Korean consulting firms which offer planning services, a government-sponsored research organization, the Korean Research Institute for Human Settlements, provides planning advisory services and master plans for cities. Both KRIHS and the consultant contracting are under the direct responsibility of the Ministry of Construction which builds most of the public facilities in Korean cities. Thus the master plans have been, in effect, the plans for the Ministry's work. Even so, MOC and other agencies such as the Korea National Housing Corporation or Korea Land Development Corporation will depart from the master plans when project considerations, such as land costs, dictate.

These departures have served to highlight an increasing discontent on the part of MOC, KRIHS, and municipal administrations with the "end-state" product. One innovation of a few years ago was the requirement that master plans be updated every five years, incorporating population data and projections prepared by central government as well as new projects which MOC and other ministries, e.g. health and education, have programmed during the interval since the previous plan.

This mandatory updating notwithstanding, the master plans have offered insufficient guidance for the programming of capital investments under the new five-year national land development plan. This plan targets 14 secondary cities for intensive and comprehensive development. A new approach has been initiated, which is consistent with the Korean's concern for detail, relative abundance of professional manpower, and commitment to implementation. It makes the planning process more action-oriented and specific.

Each of the 14 communities is required to update its master plans for the 1981-2001 period. There is an additional, new requirement to prepare a 10 year action program incorporating capital budgeting and an annual implementation plan as well. The master plan will only be a backdrop for the more immediate project-oriented programs, and ample technical assistance will be provided in elaborating these programs. Each of the ten-year plans is required to cover several different sectoral categories: population, land use, transportation, public facilities, economic base and employment, protection of the natural environment, housing needs and standards, parks and recreation, public health and hygiene, social welfare, revenue prospects, administration and project recommendations. All project recommendations are to be framed in the context of a staged implementation program and justified according to six criteria given by MOC for setting priorities.

These priorities reflect both the level of development that Korea has already attained and the national objectives to make these 14 centers "competitive" with Seoul. They are:

1. Improvement of public facilities
2. Expansion of employment opportunities or prevention of emigration from the city
3. Additional contributions that proposed project investment can make to municipal revenue
4. Improvement in the living environment
5. Favorability of the calculated cost-benefit ratio
6. Extent of territory and number of people to be benefited

The new ten-year plans are to spell out in more detail than formerly, plans for specific residential, commercial, industrial districts as well as areas slated for other uses. As these are to be the basis for project programming, they are to be updated every five years. The annual implementation plan is to be the capital budget for the coming year.

This new Korean approach comes the closest to the "land use programming" concept elaborated in the earlier Rivkin secondary city analysis and by USAID in its pilot technical assistance projects. It includes a updatable guidance instrument for land development in the city as a whole, a project orientation, and the application of land use analysis to the identification and siting of projects which would be implemented in the near future. It also includes preparation of a detailed master plan as the long-term guidance instrument, a task which, in theory, can be accomplished for each of the 14 cities in view of Korea's available professional manpower.

It is too soon to say, however, whether the new, shorter time-frame and pragmatic approach will be accepted by the agencies which make the development decisions and which today can either accept or depart from provisions of the end-state plans.

- C. In Tunisia there are land use plans for all of the major, and many of the minor, cities. Those being prepared today have only 10-year time-frames. They function as guidance documents providing a general framework for decisions on land use and infrastructure location. They are not rigid, all-encompassing master plans which define with precision the use and density of all urban land over an indefinite future. Where these guide plans exist, local municipal administrations are expected to fill in the details of area and project development through a more-or-less continual planning process.

These plans are normally prepared by the national Ministry of Equipment, an agency with infrastructure development responsibilities comparable with Korea's MDC, or by consultants responsible to the Ministry.

In the larger, more rapidly growing secondary cities such as Sousse, resident municipal planning staff have taken over from the MOE to carry forward detailed planning activity. The plans, and their accompanying zoning instruments, serve as the basis for subdivision and building permit approvals.

One interesting aspect of Tunisia's land use planning approach is inclusion of all unincorporated areas within five kilometers of municipal boundaries. Generalized land use plans are prepared for this periphery, at even lesser detail than those for the city itself, and the mayor of the city has the right to approve, modify, or disapprove development requests within this periphery. Theoretically, this mechanism prevents sprawl development.

Unlike either Brazil or Korea, Tunisia's planning deals only with physical characteristics and relationships. It includes little attention to social or economic matters, except as these directly affect the quantity and location of land for urbanization or conservation. It does not deal with costs or timing, and its prescriptions of physical standards are somewhat mechanistic, stemming from the application of certain norms to anticipated growth of population and employment. These limitations notwithstanding, the typical development plan does appear to be a reasonable guide to future decisions, at least in the sphere of land use.

The plans themselves are remarkably slim documents. In addition to basic data and projections, they provide generalized prescriptions for the locations and densities of residential, commercial, and industrial areas, along with the outline of major road and utility locations. Directions of expansion are identified, along with land which is to be conserved or held out of development during the planning period. Although the plans discuss renewal of informal settlement areas, they normally do not deal in detail with reconstruction of existing uses. This is left to any later project planning that may take place.

As an initial guide, the planning is apparently respected by the parastatal agencies (e.g. housing and industry) and the utilities corporations who are the principal "developers" in the secondary cities. Each reviews the plan with the municipality before it makes its own determinations for site selection. It then conducts an independent study, looking to maximize its own project criteria, and may or may not elect to follow the plan. If changes are made, the municipality must concur and alter the plan accordingly.

Tunisia is, however, faced with some major challenges in adapting this flexible form of land use planning to its new emphasis on project development in secondary cities. The present system does not deal with

economic or social development issues, nor does it consider implementation measures or timing. Yet the government is committed to requiring investment plans from communities which will be assisted under the decentralization program. How these investment programs will be prepared and integrated with the land use planning now in effect has yet to be decided.

- D. In Indonesia, as well as Tunisia, physical planning at the city scale has been a valued activity. Indonesia began its independence in the 1950s with the Dutch master planning tradition and attempted to apply the same detailed approaches. Many municipal master plans were prepared, found unsuitable as guides to development decisions, and left in place while new approaches were being evolved. Indeed, the old Dutch master planning law has not yet been replaced on the books.

In experimenting with alternatives, Indonesia has gone far beyond Tunisia in trying to fashion a planning methodology that combines land use, economic and social concerns with implementation.

The new approach, tested in Bandung, Medan, and a number of smaller centers is one of short-term, integrated, comprehensive planning. The land use prescriptions are generalized. Emphasis falls on identification and linkage of projects that can realistically be accomplished during a five-year period. The approach involves data gathering and analysis where possible, consideration of social and economic as well as physical issues, focus on short-term problem solving, and designation of implementable projects. The emphasis is on urban development, and more directly on guiding the array of remedial actions which represent the national investment tools available to Cipta Karya and other agencies.

Within this generalized framework, the Indonesians now prepare detailed land use and facilities plans only for those areas, such as kampungs, where major improvements are to take place within a 5-10 year period.

Indonesia's long term objective is to increase local government's planning capability to the extent that the cities can themselves prepare these comprehensive, short-term plans. It will take some time before this objective can be accomplished. At the moment, Cipta Karya performs most of the planning that is done.

In only one city, Bandung, is the model system actually operating. There short-term comprehensive planning is actually guiding the battery of capital investments being emplaced. In many other cities, however, Cipta Karya is preparing the short-term plans preparatory to the investment activity. Major training efforts are under way to train Indonesian professionals in this approach.

- E. Kenya still produces long-term city master plans along the European model. The ability of these plans to serve as guides for growth has been questioned, but as yet no new approaches have evolved.

The land use plans which have been produced as part of physical planning exercises at the provincial, district and municipal level are rarely implementable. Plans for cities such as Kisumu are not tied to sectoral planning and project planning activities of the central ministries. Thus they are frequently of little use when public sector investments and projects are being planned or implemented. Either the private sector is frequently ignorant that the plans exist and that particular procedures are to be followed prior to the development of land, or they choose to ignore the plans and procedures that seem troublesome and inconvenient and have confidence they can get by with it. In most cases the local authorities are too understaffed and insufficiently financed to monitor land development. The plans are simply becoming "advisory documents" prepared in the hope that private developers will conform.

The new internationally-assisted thrust to place projects in over 30 secondary centers and towns will further challenge the inadequacies of the present planning approach in Kenyan cities. More realistic, short-term planning (involving participation of local councils) is being considered as a means of guiding decisions on project location and implementation. Thus far, however, specific changes have not been attempted. To do so will require a new concept of planning, neither so ambitious as the comprehensive physical plan nor so narrow as the project plan.

The outlines of such a planning process can be seen in the recent project documents being written in Kenya today, but it is still very much in the drawing-board stage.

II. The Utility of Planning

Although land use plans exist for many of the secondary centers, decisions of the project development agencies will invariably override their prescriptions in the case of conflict. These agencies' decisions are actually the critical factors in shaping the patterns of development in the secondary cities selected for investment under the various country programs.

What normally occurs is the following:

The project agency responsible for a particular development (e.g. roads, industry, housing, etc.) will begin its work by reviewing any

existing plan materials. These will be considered an initial guide to site and route location or density. Agency technicians will meet with local government officials and any responsible planners to explore the rationale for particular provisions in the plan that affect the project. At this point, the project staff will make their own site and setting assessment, utilizing the physical, economic, and construction criteria related to the project. If these assessments mesh with the plan, development proceeds accordingly. If they do not, the plan is either ignored or changed.

In some cases serious physical problems are revealed through detailed feasibility studies that could not be identified in the course of normal general planning. For example, Tunisia's industrial development agency had to shift the site for a proposed industrial park in Kairouan because soil tests showed the ground unsuitable.

The principal and recurring issue is land cost, another matter not normally considered in plan preparation. Housing is one of the principal investments being made by all of the countries examined. Project development agencies, particularly those dealing with housing and community development, are invariably seeking least cost sites...or those which they can assemble readily that meet specified, modest-cost criteria. While other factors such as accessibility, location of existing utility systems, etc. are also considered, the cost of land has the greatest bearing on site selection decisions. The least-cost criterion for site selection often means location of shelter, both new housing estates and sites and services, beyond existing developed areas where extension of infrastructure systems bears a cost premium. This tends to happen when, as is the case in many countries, the responsibilities for siting and developing the housing and those for providing the infrastructure fall to different agencies.

Generally, local officials do not protest when agencies override a plan because the project is tangible and needed. In rare cases where the local government has strong ideas it may make representation to higher authorities to revise the project proposal. This happened in Sousse, Tunisia, when vigorous representation by the mayor succeeded in shifting proposed railroad and port improvement locations into conformance with the city's original plan. In general, the chance of these protests' succeeding is rare indeed.

Physical effects of these project-oriented decisions on the development patterns of the secondary cities are profound. In Brazil, Tunisia, Indonesia and Korea, where secondary city expansion is occurring, these project development decisions have led urbanization into a distinct sprawl pattern. Housing sites are often selected beyond the limits of existing utility systems, in locations where access to commercial facilities, community services and employment is very difficult for their residents. Inefficiencies and commutation difficulties similar to those of the metropolitan centers are already apparent as a direct result of government-sponsored construction.

Implications for still further disjointed urban expansion would not be so serious if land use planning were considered other than a "useful tool", or if emphasis in its practice were on the process of rather than its product. If planners' had an ongoing responsibility to participate in land use decisions, they could make rapid assessments of the impacts of site selections for various major site projects and other critical decisions that bear on extensions of urbanized area. They could then present local officials, as well as other parties involved, including private sector investors, with reasoned analysis on the potential effects of the decisions. They could either help modify the location choices or program compensating improvements (e.g. bus services, commercial sites, community facilities) to mitigate inefficiencies or disruptions that might occur. If the project location choices were indeed compelling, planners could devise means of directing further urban expansion in a manner to take maximum advantage of the immediate developments and their infrastructure.

None of the countries visited in the course of this study, save Korea, has organized land use planning as a process, and even in Korea the systematic and continuous updating and adjustment of planning instruments is a relatively new practice. Although long term master plans are being downplayed, the new emphasis on short-term instruments are still focussed on the plan as product, not continuous professional capacity for adaptation, intervention and change. Nowhere in the five countries is analysis of the probable effects of project location decisions and means of mitigating or enhancing consequences a regular adjunct of project planning. Indonesia aspires to develop this continuing planning capacity, but the staffing and training programs to produce such capacity have only just begun.

Nor do the project development agencies themselves include land use impacts as part of their facilities planning. There is some effort in Tunisia and Indonesia to blend commercial and community services with housing and industrial estates. In Tunisia there is also care taken to "size" project utilities so as to serve adjoining future developments. The upgrading programs in these countries do include land use planning for the neighborhoods to be rehabilitated. By and large, however, project planning is focussed on itself, without serious consideration for its side-effects.

Until or unless some priority is given to a more comprehensive assessment of new projects -- by the agencies responsible for the project planning, if not by local government -- the sprawl patterns which are beginning to occur in targeted secondary centers will probably proliferate and present worse problems.

III. Land Use Issues and Approaches

Although land use impacts of project development decisions are rarely considered, availability of land for those projects is a paramount issue. Site acquisition for roads and utilities is normally a

straightforward process of negotiation or expropriation by the responsible authorities. The variety of the projects to be sited and their ancillary developments, especially in the somewhat higher-income countries, have grown more complex and land-consuming.

Governments recognize the necessity of aggregating suitable sites for housing, industry, commercial services, and community facilities to be available when project construction is ready to proceed. Thus the three countries with the longest direct experience in government-sponsored development -- Brazil, Korea, and Tunisia -- have established powerful agencies to assemble and prepare sites.

In some cases these agencies actually do construction as well. Each has operated initially in the major metropolitan centers, and has now expanded its work through activity in the secondary cities.

The land assembly and development agencies of Korea and Tunisia have an additional mission, i.e. suppressing land speculation. Experience has shown the rise in values when major projects are installed, and both Korea and Tunisia have taken steps to moderate this trend by pre-emption.

When a general site area is identified (in Korea, for housing and allied community facilities and in Tunisia, for both housing and industry) governmental authorities enact a pre-emption decree for lands often extending considerably beyond the project site requirements. This freezes land values at their existing levels and gives the executing agency right of first refusal over any sales or alterations in the properties involved. The agencies then proceed to negotiate a price for a specific site. Normally this would be at market value or, in the case of the Tunisian industrial agency, AFI, within a stipulated range for permitted purchase price. Expropriation is a last resort. Tunisia's housing agency, AFH, has a "quick-take" provision which permits immediate transfer of the land to the agency for project planning and with negotiations to follow at a later date.

Cost factors are important in these acquisitions. Both the Korean and Tunisian land development agencies are required to recover all costs incurred in their developments. This constrains the extent to which they can build for lower income groups where land costs are high. Site selection for projects to house low and moderate income households consequently is directed to land which can be acquired at the lowest cost, e.g. more remote areas.

To counter some of the negative consequences, the agencies in both countries are broadening their project activity. A cross-subsidy approach has been initiated in Korea, whereby in the more accessible developments which are built on costly land, higher income shelter absorbs a proportionately larger share of land and other costs. Dwellings for lower income families carry a smaller share of the project development costs so they can be priced at levels more affordable by the intended occupants.

The Korean and Tunisian agencies, as well as Brazil's Housing Bank are now attempting to build complete communities, with ranges of incomes, community facilities, and commercial and other revenue generating services which can both bear some of the cost of the projects and provide more balanced settings for living and working. Still the many cases of isolated project sites with few supporting services stand as reminder of how difficult this goal is to achieve.

Indonesia faces a far more formidable site assembly problem than the three more developed countries. Its cadastral records in the smaller cities are poor. It is rarely possible to identify the ownership(s) of parcels definitively prior to site selection and acquisition. This has been one factor pushing Indonesia toward emphasis on upgrading of existing residential areas. Problems in clearing land titles have slowed and complicated the site acquisition process for Indonesia's own national housing agency (PERUMNAS) whose activities are among the most important in the secondary cities program. PERUMNAS has had to operate on government-owned sites or to use local land acquisition committees who could ferret out the informal pattern of ownerships and negotiate for sites. Improving the state of urban cadastral records will be one of the World Bank-supported tasks under the secondary cities program.

In Kenya, where the project development packages are limited to sites and services, development will apparently be scheduled for existing government-owned land under the jurisdiction of the Commissioner of Lands.

Chapter IV. Directions for International Assistance

International support for national programs to strengthen the hierarchy of cities and towns has greatly expanded over the past decade. Such support will probably increase as the process of urbanization in the developing world intensifies. The range of experience thus far, as illustrated by the country studies and USAID's pilot technical assistance projects, suggest some areas for emphasis in future efforts.

I. Policy Formulation

Experience has shown that international institutions can influence basic national policies toward decentralized urbanization, especially when their representations are coupled with the prospects of financial and technical assistance. In two aspects of policy such representation appears critical.

A. Selectivity

International agencies should stress the need to identify specific communities for accelerated development assistance and to limit the number of communities selected. There are just not sufficient resources to be distributed, especially in countries with low levels of income, to provide more than a few centers with adequate services, investment capital, trained administrators, etc. All of these are essential if economic development is an objective.

Political considerations will often mandate that policy makers commit a wide spread of benefits and "projects" over a short period of time, as is apparently occurring in Tunisia and Kenya. If these commitments are pursued, chances are that few, if any, communities will build up a sufficiently critical mass of resources for conditions to improve.

Yet, each country apparently needs to find its own road, often re-enacting the history of others that have gone before. Brazil and Korea have concluded, after long experience with more dispersed approaches, that selectivity is essential.

International agencies are in a particularly good position to present the lessons of other national experiences, especially those demonstrating the failures of dispersed investment.

One way to encourage selectivity would be for international institutions to offer project support for a limited number of centers and encourage national governments to allocate resources to the same centers. This could occur even though political exigencies demanded a public policy which offers something for everyone.

Apparently such a cooperative approach to selectivity has been adopted in both Brazil and Indonesia. In Brazil, the special Bank-supported secondary cities program is applicable to many communities comparable in size to the ten target cities chosen. For all intents and purposes, however, it is only in those target cities that the government, as well as the Bank, is currently placing major investments. In Indonesia, a substantial number of communities are targeted for remedial assistance under Repelita III, but the only cities where the full range of tools are now, or shortly will be, put in place are those where both international and national commitments have been made.

B. Project Packages and Strategies

International agencies should stress the need to design packages of projects and programs for targeted communities. No single capital investment or application of technical assistance can address the endemic problems of economic lag, service inadequacy, administrative and budgetary deficiencies which characterize the non-metropolitan communities, whatever their stage of development. Whether the communities are rapidly growing and demonstrate some economic productivity (as in Korea) or stagnating for lack of basic facilities and services (as in Tunisia) they face multi-dimensional issues. To address one set of issues, without commensurately addressing the others, may be counter-productive.

It should be possible to diagnose a community's problems, develop a resolution strategy, and apply a battery of financial and technical assistance tools in a simultaneous or sequential fashion. Major achievements from Brazil's program have been formulation of multi-dimensional community strategies and the application of aid in support of these strategies. Of course, too few countries are as yet so well-endowed with professional talent as Brazil to expect formulation of strategies at the local level. Still, this is an area where international agencies can assist. They can, in advance of program design for particular communities, support dispatch of study teams to gather data, evaluate local conditions, meet with local authorities and test out ideas with these authorities. The objectives would be to prepare strategies for each target community.

Unfortunately this advance strategy planning and program design rarely occurs. The international donors are in a position to encourage such planning, to lend their diagnostic resources to advance field missions and, by in doing, to train government officials and other host country professionals in this sort of reconnaissance work. An outline which such strategy/design missions can follow is appended to this report.

II. Capital Assistance

International agencies should be prepared to offer financial support in the form of loans and/or grants, for capital projects in cities targeted for national action. Without the funding incentive governments will rarely be disposed to consider representations on policy and

program. Offers of technical/training assistance alone do not carry the "clout" of prospects for funding a water system, an industrial site development or a housing estate.

The case studies provide ample evidence to underscore this recommendation. In Brazil and Tunisia significant institutional adaptation has occurred at the national level in conjunction with international capital assistance. In Indonesia international funding has expedited design of project packages for Bandung and institution of a project implementation/coordination mechanism for that city which pools central and local government responsibilities. By way of contrast, one factor impeding USAID's Chonburi, Thailand, land use programming project was its limitation to technical assistance. Local officials, were responsive to the technical team only so long as they expected the advisers to be a direct link in securing for them capital funds to build public works projects. Once they realized the advisory team's mission was confined to technical assistance in planning -- and carried no promise of implementation funding from either national government or external donors -- the officials lost interest in the project.

III. Coordinated International Programming

As an increasing number of international agencies become involved with decentralization programs in individual countries, the agencies should coordinate their own assistance activities.

This stress on the necessity for capital investment, does not mean that every agency need offer such assistance. But several potential donors may be interested in a given country's urbanization programs. Indonesia and Kenya are two cases in point. The donors can orchestrate mutual interests and determine a balance of financial, technical, and training support, (e.g. one or more agencies might be prepared for capital funding, another for technical assistance, a third to concentrate a variety of measures in a single city).

Thus international assistance should, itself, be offered as a package. This would afford greater influence and leverage than programs which individual agencies might operate individually. Such orchestration among donors is occurring in Indonesia and Kenya. In Thailand USAID, the World Bank, and the Asian Development Bank are conferring regularly to coordinate their support for secondary city initiatives.

IV. Capacity-building for Secondary Cities -- the Training Component

A primary role for international institutions should be the training of a cadre of professionals who will be able to manage and plan communities at the local level. This training role is admirably suited to the external donors.

Decentralized development can not occur without skilled administrators, managers, and planners in the communities to be developed.

Brazil and Korea have such cadres. The others do not, and many nations facing similar necessities for decentralized development are fundamentally hindered by the absence of trained manpower. Domestic universities and the more conventional methods of sending individuals abroad for degrees are not in themselves sufficient for the capacity building role.

There are many models for what needs to be done: Brazil's IBAM, supported by USAID years ago, is an excellent example of a national training institute for municipal administrators. This institution offers many options, from long term education, to short courses, correspondence courses, and roving seminars in locations throughout the country. The Netherlands Bouwcentrum has been organizing special programs geared to secondary city planning and administration in Indonesia and Thailand, and has continuing institutes in the Netherlands. USAID itself is now helping to finance and staff in Indonesia a set of regional institutes to train planning staff for city and provincial government throughout the country. There are other examples as well.

The models are there, but generally no systematic framework exists for assessing and addressing the municipal management and planning needs of the countries. International agencies can assist in preparing these needs assessments, and then can tailor their programs to include a major, not a modest, component of training.

Next to capital assistance, capacity building is the most promising avenue for international intervention. The impact of international technical resources deployed to training can be far greater than any combination of technical assistance directed toward specific projects or communities.

V. Management Assistance for Individual Cities

While a strong emphasis on training is warranted, planning and management skills of foreign advisers will continue to be relevant to specific cities targeted for investment. Perhaps the best example is that of Bandung where several advisers, both long- and short-term, are working with Indonesian counterparts to implement the planning and investment program. Representing a variety of technical specialties, their objective is to leave trained Indonesian personnel in their places when they depart. The number of advisers and their skills are specifically related to the needs of the cities where they are assigned. Matters of this sort can be established when program strategies are prepared for each target city.

The principle of offering such advisory assistance in combination with project design and implementation is one that can be firmly established in advance.

VI. Land Use and Impact Analysis

There is a modest, but important role for land use planning in international assistance to secondary centers.

A. Land Use Programming

The 1975 study for the Office of Urban Development stated that land use issues were becoming severe in rapidly growing secondary cities. Advance attention to these issues by skilled professionals would help the smaller centers avert diseconomies and dislocations endemic to expansion of major metropolitan areas. The study suggested that professionals be made available who could contribute a "land use programming" approach. The principal characteristics of that approach were:

1. Goal setting for the urban community
2. Rapid gathering, assembly, analysis, and presentation of available data on physical, economic, and social characteristics
3. Formulation with the community of strategies to address principal development and land use problems, and
4. Identification of projects directed toward the goals, in keeping with the strategies, that could be accomplished in the short run.

Land Use Programming was presented as an alternative to conventional master planning. It was intended to be flexible in content and approach, adaptable to particular local circumstances. Indeed, the very term land use "programming" was but a convenience to illustrate the concept.

The research (especially, Rondinelli's) and field investigations done since the 1975 study report shed considerable light on the feasibility and value of assistance in land use management. It appears that many secondary cities are growing in population and economic development more slowly than had earlier appeared to be the case. Their development in many cases is impeded by lack of minimally adequate services and facilities. These are required before they can absorb substantially increased population and can support economic investments, indeed, before they can become attractive enough for those activities they must have to play a more significant role in national development.

Until growth is imminent for these communities land use issues may be well down the list of priorities for them. More important are their needs for assistance (both financial and technical) in urban administration, public finance, and other fields related to the planning and implementation of projects that do have high priority. Land use planning becomes relevant when the state of development produces a variety of construction projects, potential land use conflicts among projects, special difficulties in securing site, and rapid spread of informal settlement, i.e. land use problems, start to emerge. Until that stage, more sensitive project planning or wider scope for project planning combined with improved urban management techniques is probably quite adequate.

Where land use issues are addressed, countries are beginning to employ concepts that reflect the programming approach. Thus Korea and Indonesia have both turned away from master planning (except, in the case of Korea as a "background" guide). They have moved toward more comprehensive, short-term exercises linking economic and social concerns with physical. They are emphasizing project identification and capital budgeting. Tunisia has not yet found a mechanism to integrate economic growth with land use planning, but its land use planning is far more pragmatic and focused on short-term objectives than the conventional end-state approach. In Tunisia, Brazil, Korea, and Indonesia the planning instruments are at least consulted by project development agencies before major capital investments are detailed. To the degree that international technical assistance can reinforce these trends, it should continue as a component of available programs.

It is this commitment to major capital infusions, however, that comes through most strongly in the country studies. Where secondary city programs are being pursued, the overwhelming emphasis is on capital investments. The focus is on projects, and their implementation -- whether kampung improvements, new housing estates, sites and services, water supply or industrial parks. In turn, these projects, once built, have potential to lead growth in directions which neither the project development organizations nor the city planners have anticipated. The projects become the "leverage" for new rounds of development.

Once project development agencies have examined planning instruments for preliminary guidance in site location and project character, the question of land use impact is normally set aside. With land cost as a critical factor in project design, the least land cost solution is compelling, regardless of any long term growth considerations. While land use "programming" may be applied in over all urban guidance systems, it appears to be among the last considerations of actual project design and implementation.

Results of this "neglect" can be seen in countries as different as Brazil, Korea, Indonesia, and Tunisia -- attenuation or leapfrogging of existing developed areas, and proliferation of sprawl patterns that produce inefficiencies and unnecessarily high cost in extension of utilities, long and arduous commutation between housing sites and work or urban services, and environmentally unsuitable living conditions.

Land use planning is generally considered a "useful" tool, no more and no less, and no claim should be made for wider, more general application of the tool than it merits. Nevertheless, a wide gap in the project preparation approach leaves uncovered the impacts of project development which may, themselves, pose serious issues for the communities.

B. External Assistance in Land Use Issues

This gap can be filled if the international assistance agencies will use their own leverage to broaden the analytic base for planning of projects which they support.

1. By including land use implications among the specific criteria which project planning technicians address in their analyses. With a formal consideration of land use implications, cost analyses could begin to consider "total" costs, e.g. utilities extensions, commuting, services provision in addition to the raw costs of land and site development. Once "total" costs are considered, final location choices may be improved.
2. By requiring preparation of land use impact assessments as part of the documentation for international funding of specific project proposals. If these assessments indicate negative consequences, proposals for mitigating the consequences should accompany the project plans. If a mitigation approach is adopted, some negative consequences of project development could be averted.
3. By offering project development agencies professional planning advisers to participate in the process of site location and design.

There is nothing dramatic about these proposals. They represent merely a calibration of the capital support activities now under way. They can lead to better, more sensitive and efficient patterns of urban development than otherwise would be the case, i.e. if the present narrow focus on individual projects continued.

VII. Supporting Local Leadership

Over and above financial and technical assistance, one of the most important roles for international institutions may be in identifying ways to support local leadership -- both political and entrepreneurial -- in target cities. Both the earlier land use programming study and the five more recent country cases underscore the necessity for local responsibility. It is difficult, if not impossible, to force secondary city development from above. While all the case countries consider involvement and commitment of local leaders critical to successful programs, actual participation has been spotty. The notable successes, however, have involved presence of local leadership.

Natal is considered the most effective of Brazil's secondary city targets because the elected mayor has adopted the program as a "crusade" and heavily supports the professional staff. A principal factor in Bandung's success with comprehensive urban improvements has been the willingness of the mayor to pool municipal staff and resources with the implementing agencies of central government into a single project management agency. In both Sousse and Sfax, Tunisia has had the benefit of mayors and councils committed to development and to utilizing municipal funds for professional staff. They are effective lobbyists in the capital. Moreover, each of the towns has had private families of means who have invested funds in commercial projects. The lack of commensurate

leadership and investment capability in other secondary centers frankly troubles central government officials who are trying to plan a decentralization program in the new five year plan. Even Korea, which has tight central control over local development, is concerned about meeting urban growth targets without greater local participation in planning and investment.

International institutions must proceed with sensitivity in articulating a role, but some directions can be pursued.

Training is one. Indonesia's AID-assisted regional planning institutes will establish special seminars for local mayors and councils in the same cities for which they will be training professional planning staff.

Travel is another. Study tours of cities in other countries, both developing and developed, can be arranged for local elected officials and businessmen.

Most basically, however, international institutions can suggest that the presence of active, interested local leadership be a criterion for target city selection.

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I. Context of the Medium-Sized Cities Program in Brazil

Brazil is an enormous country with virtually half the land and half the population of South America. Its cities are correspondingly large and numerous. Rio de Janeiro has over 8,000,000 inhabitants. Sao Paulo, the major industrial center of the country, has over 10,000,000. There are something upwards of seventy cities, including the new capital city of Brasilia, with over 100,000 inhabitants.

The per capita Gross National Product of the nation in 1980 was close to U.S. \$1,500 which placed it among the most economically privileged of those defined by the United Nations as developing countries. Until 1973 and the international energy crisis it appeared that Brazil, having embarked on an ambitious program of industrialization, was about to experience a milagre economico that in the not so distant future would see it overcome its principal development difficulties. However, the miracle has yet to occur and Brazil remains a country of widespread poverty with a marked discrepancy between the well-being of the lower and upper income groups. In 1980 the bottom 60 per cent of the population earned only 18.4 per cent of the national income, while the top one per cent of the nation's population received 16.4 per cent. Although the greatest disequilibrium in income shares continues to be in rural areas, the World Bank calculates that in such major urban centers as Recife (estimated population: 1,300,000) and Natal (estimated population: 530,000) 77 per cent and 70 per cent of their respective inhabitants live in poverty.¹

In the main, the nation's soils are poor, a condition that adversely affects the urban as well as the rural areas of the country. Average rainfall often counts for little, for in many areas the rains occur in deluges that surpass the absorbent qualities of the soils; and in 1981 the great Northeast Region of Brazil was experiencing its worst drought in over 100 years.

Added to the country's continuing difficulties of development are systems of agriculture that emphasize the large plantation and extensive cattle ranch. Today, both systems are prone to heavy population losses to urban places.

In Brazil the drift of people to cities from the countryside is one of the most pronounced in the world. The 1970 census, which registered 52 million urban inhabitants and 41 million rural ones, was the first survey to demonstrate that Brazil had become a predominantly urban country. The tendency accelerated during the 1970s. The 1980 census showed 80.4 million urban inhabitants and only 38.6 rural ones, fewer rural inhabitants in absolute terms than in 1970.

1. World Bank Appraisal Report for the Brazil Medium-Sized Cities

For many years the migration of the people from rural to urban places was most dramatically evidenced in the major cities of the country, particularly in the South and Southeast. A number of these cities grew to gargantuan size in the space of a single generation. Consequently, during most of the 1960s and 1970s major development attention in Brazil centered on the industrialization, housing, and infrastructure problems associated with massive metropolitan growth. However, during the last half of the latter decade official interest began to be taken in the development needs and economic potential of urban centers of more modest scale, those which lie roughly within the 100,000 to 500,000 population range. A number of factors converged to create this concern.

It became increasingly clear that the urbanizing problems of major metropolitan centers are virtually intractable, that amelioration of their basic difficulties is an effort of decades, and that meanwhile other sections of the country and its urban economy require attention. Further, during the 1970s a large number of Brazilian cities of intermediate size began to increase at rates considerably greater than those which attended the development of the country as a whole and of its principal urban places.

For example, during the decade Rio de Janeiro grew at an annual rate of 1.8 per cent while the overall annual growth rate of the population in Brazil was 2.4 per cent. Highest growth rates were observed in cities with populations between 100,000 and 200,000 -- almost 10 per cent per year during the decade. Development experts began to see that Brazil's rural population was increasingly moving to the smaller cities closer to home rather than, as had been the case in the past, toward the dominant cities of the South.

The phenomenon offered both an opportunity to accelerate development of hitherto lagging regions as well as the prospect of directing such growth in a manner that would avoid the graver problems being generated in the principal cities of the country. In addition, research into the urban fabric of Brazil and other developing countries was making it increasingly clear that human settlements grow and decline in relationship to one another. They are linked through a series of economic, social, and political relationships to form systems whose development difficulties require that each settlement be viewed and addressed in the context of these relationships. While aiding one city it is both possible and desirable to aid a series of others as well as to advance the well-being of their rural inhabitants. Thus, it is possible to plan development of medium-size cities in a broader and more effective manner than thought possible earlier.

Finally, in the context of Brazil, the mystique of conquering the interior of the country and thus realizing the enormous economic potential of the nation has been a persistent national vision. Construction

of the new capital city of Brasilia in the arid sertao of the interior is the most dramatic expression of this dream. Offering special development assistance to non-metropolitan centers throughout the country is a similar, if to date a more modest, expression.

A. The Governing of Brazil

The Constitution and form of government of Brazil closely resembles those of the United States of America. The country is a federation of states in which legislative power is exercised by a Chamber of Deputies and a Federal Senate. The President and Vice President are elected for a single term of six years by an electoral college rather than by popular vote.

Each Federal State has a Governor who exercises executive power and a Legislative Assembly which legislates on all matters affecting provincial administration. The states in turn are divided into municipalities (municipios) each of which covers an extensive area that encompasses both urban and rural places. This system of organizing local government is common throughout Latin America. Another name for the same type of local government unit is distrito, the term employed in Venezuela and several other countries. County governments are the closest equivalent unit in the United States.

In Brazil the popularly elected mayors are called prefeitos and the local governments themselves prefeituras. A small council, also popularly elected, serves as the local legislative body. The mayor presides over a series of departments that usually include administration, planning, finance, public works, and education.

Despite the outward appearance of popular rule, since 1964, when the military leaders overthrew the government of President Joao Goulart, the army has controlled the country and its political machinery. Since 1967, by revisions to the Constitution, the President has been granted residual control over all aspects of the Federal Government, authority to intervene in the affairs of any of the 21 states without consulting Congress, and the power to declare a state of seige and rule by decree. The essential nature of the Government is, and historically always has been, highly centrist. States are correspondingly weak; local governments, even more so.

A fundamental aspect of the governing process over the last several decades has been to encourage local administrations to increase their contributions to national and regional development without at the same time relinquishing the National Government's authority over public decisions nor its financial power to implement these decisions. One result of these contradictory policies is that official rhetoric does not necessarily reflect political reality, nor does administrative reorganization necessarily denote liberalization.

Local governments have extremely limited means to affect their own development, and almost all public capital expenditures, even those of a

quite minor nature, are made by agencies of the National Government. Nevertheless, many important political leaders are committed to broadening public participation in the governing process and to strengthening the role of local governments. It is within this context of strong central authority on the one hand and a gathering interest in local participation on the other, that the evolving role of middle-sized cities must be viewed.

B. Field Investigation

In September 1981 a special two week visit was made to Brazil to study the operations of the Federal aid program for medium-sized cities. Interviews were held in Brasilia, the nation's capital, with representatives of the Ministry of Interior, which is directly responsible for the administration of the program, with members of the Ministry of Planning, whose research helps to support the effort, and with the Ministry of Transport, which provides a major portion of the direct assistance. In Rio de Janeiro conversations were held with members of the financially powerful National Housing Bank of Brazil (BNH), and the prestigious Brazilian Institute for Municipal Administration (IBAM).

One of the communities involved since the outset in the Medium-sized Cities Program, the Northeast coastal city of Natal, was also visited. There an array of local public officials were interviewed including the prefeito, the directors of the municipal offices of budgeting and accounting and planning, as well as the local coordinator and staff members responsible for the day-to-day implementation of the special assistance program.

C. The Evolving Commitment to the Accelerated Development of Medium-Sized Cities

Since the early 1960s one of the most publicized agencies in Latin America concerned with the improvement of local government has been the Brazilian Institute for Municipal Administration (IBAM). It has served as a prototype for establishment of comparable agencies in a host of countries.

IBAM is a private, nonprofit training and research organization which is supported by government contracts and voluntary membership subscriptions of participating municipalities. Its primary objective is to increase the technical capability of municipal governments in order that they can play a more effective role in the development of the nation.

Over the years it has grown to be a large and respected organization that offers practical training programs of all kinds. For many years it was assisted by USAID. Now its own cadre of trainees, quartered in Rio de Janeiro, are employed in programs of technical assistance throughout Latin America and, increasingly, in the other developing regions of the world. It has published numerous studies that affect the operations of local government and which deal with such basic administrative concerns as accounting procedures, public works

administration, project preparation and the like. Its efforts strongly complement an extensive university system, of both a public and private nature, that graduates young people in a variety of subjects necessary to the functioning of government.

Important as is the need to impart practical operating skills to those responsible for the administration of local government, it is probable that in Brazil neither the lack of formal education nor of the technical skills necessary for day-to-day operations is a significant deterrent to competent and imaginative urban administration -- at least in so far as cities the size of 100,000 or more persons is concerned. Lack of experience in office, caused by historically low salary scales that attract principally the young and untried and by the inevitable turnover in technical personnel when the prefeitos leave office after each four year stint, is probably a more limiting factor.

Nevertheless, establishment of an agency such as IBAM and the introduction of training activities into all aspects of municipal administration reflects public support for the improvement of urban government.

Another Brazilian agency involved with urban development whose impact has been enormous and which has received a great deal of national and international attention is the National Housing Bank (BNH). It was established in the early 1960s to finance the construction of public, or worker, housing for low-income groups. Its unprecedented influence on urban development in Brazil derives from its enormous financial resources.

The Bank is the repository of, and uses as the basis of its loan activities, the national pension fund of Brazilian workers. Over the years, therefore, BNH has been in a position to promote the construction of housing estates in a large number of cities throughout the country. The majority of its financial resources have been channeled into the classical, fully equipped, apartment unit constructed in clusters within a series of superblock compounds. However, in the mid-1970s, after a number of years of experience, BNH began to expand its local investment activities to include the financing of allied types of urban infrastructure: water, sewers, roads, schools, and the like.

On the one hand such an expansion was logical as it supported the housing construction activities of the Bank and offered a single source of financing for cities' capital needs. On the other hand, it assisted BNH to find investment outlets for its financial resources while giving it an even more influential voice in promoting local physical development and planning.

More recently BNH has begun to experiment with the financing of sites-and-services housing programs and with the provision of integrated packages of aids to rural settlements. The former program is designed to provide vacant, but fully serviced, lots to low-income families who then proceed to construct their own housing. The idea is to allow

greater flexibility in the construction process and to permit the participating families to proceed in a manner familiar to them. Because of the appreciably less costly nature of the undertaking, many more low-income families can be accommodated in sites-and-services programs than in conventional public housing.

One of the principal results of the operations of BNH is the enormous impact it has had on the physical growth and configuration of Brazilian cities. A second result has been to demonstrate the power of the Federal government to affect local development and the inability of urban governments to negotiate with, and exert influence upon, agencies of higher authority. Confronting unprecedented rates of growth with limited resources of their own, municipalities have had to scramble for whatever aid has been made available. A principal source of this Federal largesse has been BNH.

The nature of the physical impact of BNH's operations is apparent. In order not to have its resources dissipated through excessive cost of land, BNH has insisted that its financially supported housing projects be located on inexpensive tracts. In many, if not most instances, this has meant sites considerably distant from the urban center. As a consequence, the large housing estates of BNH have acted as powerful suburbanizing forces propelling development out into the countryside, surrounding cities.

Another important organization established in the mid-1960s that related to urban development was the Federal Service for Urban Planning and Housing (SERFHAU). It was created as a relatively small, highly professional public agency attached to the Ministry of Interior, and it received support early on from USAID. SERFHAU's principal mission was to "...develop local capability for land control and, as a corollary, see to it that public investment, especially from the Federal Government, was placed within some form of rational framework at the municipal level."²

This reflected the recognition that without special assistance, municipal building and planning departments were increasingly unable to rationalize local development. The aid program initiated by SERFHAU was similar to the local planning assistance procedure then in vogue in the United States -- the so called "701" Program.

The scheme was one under which the Federal Government financially assists a local community to prepare a master development plan following certain prescribed guidelines for issues to be addressed and land controls to be established. Because most municipalities lacked professional personnel experienced in the preparation of comprehensive development

2. Rivkin, Malcolm D., Land Use and the Intermediate-Size City in Developing Countries, Praeger, N.Y., 1976, p. 79.

plans, typically a firm of consultants was retained to perform the work.

There was, however, a significant difference between the "701" comprehensive planning assistance program in the U.S.A. and the local planning aid program of SERFHAU in Brazil. The former was a grant program; the latter was based on a loan. Communities had to repay the money advanced them for the retaining planning services. Loans were amply available, but they were to be repaid over a number of years at 8 per cent interest plus an index factor to compensate for inflation.

Although the requirement necessarily screened out an appreciable number of potential candidates, it probably did not discourage many medium-sized cities. As various types of Federal aid programs, such as the provision of public housing by BNH, were conditioned on a municipality's having a master plan, cities were encouraged to participate in the SERFHAU supported planning program.

A weakness of the SERFHAU approach (as it proved to be with the "701" Program in the United States) was that the consultant firms who undertook the planning studies were most often "outsiders", physically located (in the case of Brazil) in either Rio de Janeiro or Sao Paulo. The planners associated with these firms were divorced from the actual process of local development decision-making. The result was that the plans they prepared often lacked a sense of reality, were necessarily static in character, and were prone to setting forth a maximum of detail. Even when small teams of SERFHAU staff members were themselves involved in the preparation of plans and in the effort to encourage adoption of more sophisticated local planning procedures, communities often failed to respond.

Consequently, in 1974 SERFHAU was dissolved and the loan program for local planning was taken over by BNH. By 1981 the program had virtually ceased to exist, and BNH was doing little or nothing to promote it.

Although the results of the planning effort expended by SERFHAU were considerably less than hoped for in terms of their practical application at the local level, studies undertaken in conjunction with the program assisted in the clarification of the complex nature of the problems of urbanization and, more specifically, in the need to target aid to cities in a systematic manner. Brazil has over 4,000 municipalities and considerably more urban places. The same kind and scale of assistance can not be extended to all of them.

The Second National Development Plan for Brazil, which encompassed the five year period, 1975-79, was the first explicitly to incorporate a national urban development strategy. This was composed of two principal elements. One was the recognition of a series of major cities that were, in fact, economically and socially metropolitan regions. Beyond formal recognition for these urban regions, the strategy called for

strengthening their internal interrelations and for special aid programs constructed to meet their particular requirements.

A second element of the urban strategy recognized the existence of a second tier of cities considerably more numerous and widespread than the metropolitan regions. Their growth rates were beginning to outstrip those of the larger conurbations. The controlled development of these secondary, or medium-sized cities represented a possible lever in directing development to important selected regions of the interior of the country at the same time as it held the promise of slowing down the rate of population growth of the existing metropolitan regions.

With the elaboration of the National Development Strategy there was established a National Commission on Metropolitan Regions and Urban Policy (CNPU). It was an interministerial body whose primary functions were to coordinate Federal aid efforts to cities and to prescribe new ways of making such aid more effective. Administrative responsibility for the functioning of the Commission lay with the Ministry of Planning; and the research branch of that Ministry, the Institute for Economic and Social Planning (IPEA), acted as staff for the Commission.

Simultaneously, a number of special funds were designed to channel special financial support to selected cities. From the standpoint of the prospect of directing an integrated package of aid to urban areas, the most important of these funds was the National Fund for Urban Development (FNDU).

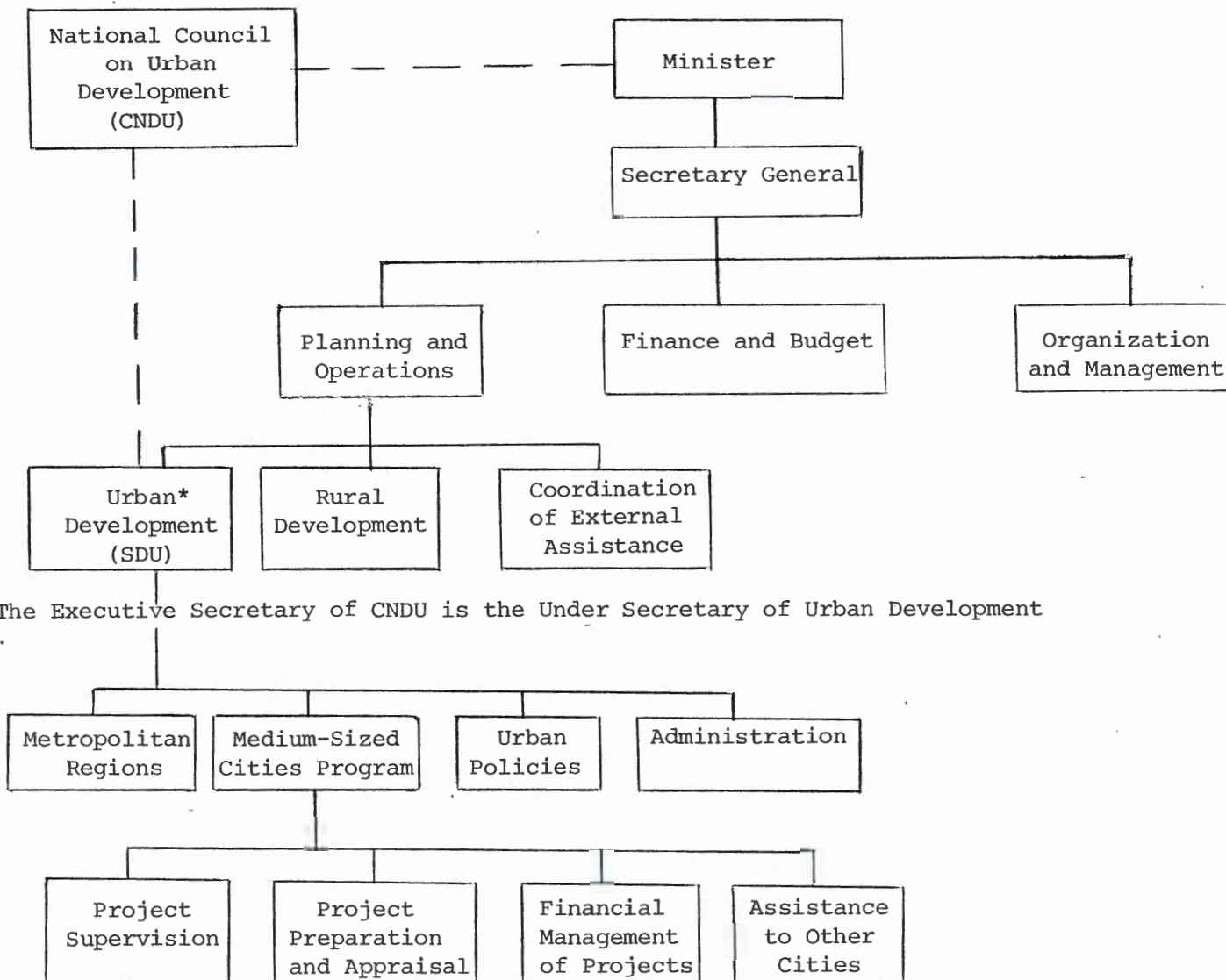
The CNPU set about analyzing its area of responsibility and shaping policies to guide Federal support to cities. However, in 1979, with the change in the Presidency and thus the Government, the Commission was abolished and a new agency, the National Council on Urban Development (CNDU) was created in its stead. (The accompanying chart shows the structure of the Council.)

This new entity was placed within the Ministry of the Interior and a Subsecretariat of Urban Development (SDU) was created to provide special staff support. Comparable to the former Commission, CNDU is an interagency body on which high level officials of major ministries and funds are represented whose operations significantly influence urban development. The most important of the programs currently administered through this structure, both in terms of financing and staff assistance provided, is the one for financing integrated packages of aid to medium-sized cities. In 1979 this program became the recipient of special assistance from the World Bank.

Still unclear in 1981 was whether transfer of the responsibility for coordinating Federal aid to municipalities from the Ministry of Planning to the Ministry of Interior and the replacement of the staff of IPEA with a new crop of technicians, reflected an increase or lessening of political interest in the subject on the part of the National administration. The answer is probably equivocal. Much will depend on the success of the CNDU's World Bank-supported program during the next several years.

BRAZIL'S MEDIUM-SIZED CITIES PROGRAM

Structure of the Ministry of Interior



It should be noted, however, that neither CNDU nor CNPU was created by the national legislature. Hence, both have lacked authority to staff operations with career personnel. As a result, professionals associated with SDU are temporary hires paid for by participating agencies. As long as this situation continues the Program retains the character of an experiment and can be restructured -- or eliminated -- with comparative ease.

II. Nature of Special Aid Program to Medium-Sized Cities

The general goals of the Medium-Sized Cities Program (MSC), as set forth in the enabling legislation and confirmed through personal interviews, are to:

provide for a more balanced distribution of the population throughout the national territory,

reduce the economic and social costs of rapid, uncontrolled urban growth,

direct an increased share of the national wealth to cities within the interior of the country enhance the well-being of the urban poor within these cities, and

establish effective institutions for planning and implementing projects required to achieve the other goals.

The goals of the Program are general in nature and their actual interpretation is best made through analysis of the manner in which the Program is implemented. Yet the over all aim is clear. It is to encourage development in the poorer, less advanced regions of the country through the channeling of resources to the large number of medium-sized cities scattered throughout the country. The aid to these cities is to be directed at the stimulation of income and employment and the provision of physical and social infrastructure.

There is no official definition of what constitutes a medium-sized city and thus no definitive determination as to which cities are actually included in the Program. The World Bank in the Appraisal Report on its aid to the Program stated that the approximately 200 cities between 50,000 and 500,000 inhabitants are involved. However, in interviews conducted for this report a variety of figures were employed by government officials centering generally within the range of 130 to 150 cities. The reason for the discrepancy is the difference between the roles of the technician/researcher and the politician/administrator. While the former wishes to clarify classifications in order to be able to make objective statements, the latter often finds it necessary to be fuzzy about distinctions. Such is the case in Brazil where people with operating responsibility for the MSC Program would prefer not to state conclusively which cities are included in the Program, nor -- more importantly -- cities which are not included.

At the end of 1981, for the overwhelming proportion of cities of moderate size, the matter of eligibility was academic. The World Bank had agreed in 1979 to make financing available for aid to a limited group of eight cities. This aid is complemented by special national and local contributions.

For all intents and purposes the project thus funded constitutes the Medium-Sized Cities Program of the Brazilian government. Neither the funding nor the operating personnel are made available in sufficient quantity for systematically assisting other medium-sized cities.

At least two very good arguments can be made for limiting the MSC Program to the size of the World Bank-supported project. First, it can be argued that, under any circumstances, the matter of channeling substantial aid to cities is difficult. The task is especially complex and the chances for failure particularly high in a developing country. In order to piece together a workable program and to put the institutional mechanisms in proper place, it is advisable, the argument states, to initiate activities at a scale that is unquestionably manageable. While the first steps are designed to achieve substantive results, the initial effort is actually viewed in the nature of a pilot program.

This institution-building aspect of the MSC Project is stressed by the World Bank, who expect that the resulting policies, institutional arrangements, procedural mechanisms, and trained personnel will form the basis for an expanded effort in the future.

A second argument for drastically limiting the number of cities in a program of concentrated aid is theoretical. Only a certain few, strategically located cities actually perform, or have the prospect for performing, a strong supporting role in a region of substantial size and prospective importance. Thus, assuming a situation of scarce human and financial resources, it is necessary to center attention on those few cities that possess this potential. At present, no agency is making this argument in respect to the MSC Program in Brazil.

A. Basic Components of the Medium-Sized Cities Program

The World Bank is lending on favorable terms to the Federal government of Brazil, U.S. \$70 million in support of the MSC Program. This amount of money is being matched by the Federal government and an additional U.S. \$60 million is being contributed by the local governments involved in the Program. The resulting pool of U.S. \$200 million was initially designed to aid eight cities in a concentrated manner over a period of three years. However, early, rigorous attention to costing the various components of the aid package to several of the initial cities permitted the Program to be expanded to include ten cities.

The combined contribution of the Federal government and the World Bank is channeled through a National Fund for Urban Development (FNDU) in the form of grants to the favored municipalities.



Because of the special orientation of the World Bank, the MSC Program has more sharply defined its targets. The Program is to be directed at assisting the well being of the urban poor within the municipalities to be served. The instruments to be employed are:

stimulation of income and employment within the low-income groups

provision of physical infrastructure and social services for the benefit of the same groups, and

improvement of public administrative processes that support local development.

The last of these support mechanisms reflects the strong commitment of the World Bank to strengthening the institutional basis of the national agencies with which it becomes associated through its loan activities.

B. Criteria for Selecting Recipients of Special Aid

Rather than to try to determine which cities would be assisted by the Bank-supported program on theoretical grounds, the Federal government asked each state to submit a short list of candidates meeting the following criteria.

1. capacity for growth (presumably as evidenced by a combination of current population growth rates plus physical capacity to accommodate expansion)
2. relationships with an extensive hinterland
3. evidence of a history of coping with problems attendant to rapid growth
4. evidence, also, of the organizational capability of preparing and executing projects of significant scale, and
5. expression of a willingness to participate in and to follow through with the special aid Program.

The selection of the initial group of eight cities was based, to a large extent, on the level of development of local public administration combined and strong political commitment, on some specific political pressures and on the desire to be representative through inclusion of cities of varying character in different parts of the country.

Salient features of the cities included in the Program are presented in the following table and are located geographically on the accompanying map.

Characteristics of Cities Incorporated in the
Medium-Sized Cities Program***

Characteristics of Cities

<u>Cities Included in Program</u>	<u>Size of Population***</u>	<u>Rate of Growth of Population</u>	<u>Level of Poverty % **</u>	<u>Employment Tertiary Sector (%)</u>	<u>Under- Employment (%)</u>	<u>Capital of State</u>
1. Florianopolis			38.0			Yes
2. Juiz de Fora						
3. Natal	344,000 ('76)	6.0	70.0	78.0	?	Yes
4. Campina Grande	205,000 ('77)	?	?	78.0	55.0	?
5. Vitoria						
6. Pelotas						
7. Moutes Clares						
8. Petrolina/Juaxeiro						
9. -- *						
10. -- *						

* Incorporated soon after initiation of Program.

** According to criteria developed by the World Bank: for a middle-income country such as Brazil, the Bank uses the concept of "relative poverty" to establish poverty income level, calculated as one-third of national per capita income (adjusted for urban-rural price differences).

*** Figures refer to the major urban centers within their respective municipios.

Although it can be seen that the cities vary considerably in respect to their rates of population growth and other characteristics, in general, they have between 200,000 and 500,000 inhabitants, their under-employment rates are high as are their levels of poverty and employment in the tertiary or service sector.

C. Profile of the City of Natal

As explained earlier, the basic local unit of government in Brazil is the município, or municipality. Typically, it is extensive, encompassing both urbanized and rural territory. Thus, while the major urban center of the municipality of Natal is a recognizable "city" of approximately a half million people, the governing jurisdiction, the prefeitura, encompasses this center plus a large rural hinterland and several much smaller urban places. For ease of expression the word "city" is employed in this report to denote the principal urban center of Natal as well as of other important municipalities.

Natal is one of the major cities of the depressed Northeast Region of Brazil and is a prime target for families migrating from the rural countryside. It is on the coast where it enjoys both rainfall and a general climate more abundant and agreeable than does the interior of the region.

Natal's poverty is spectacular (70 per cent) as is its level of activity in the tertiary or service sector (78 per cent). The particular significance of these figures is that the city's many newcomers are unable to find remunerative employment, and relatively little of the employment involves the industrial processing of the basic produce generated within the region.

The city functions primarily as a political and administrative center. It is the seat of state government, a center of commerce and service -- including social services, medicine, et al -- and is a center of transportation and communications.

Two attributes of the city's appearance are particularly striking. The first is its exceptionally clean and orderly quality. The second is the very low density and, thus, extraordinary physical spread of the city. In the face of widespread poverty, the level of cleanliness is unexpected. It is probably a result of a combination of factors. There is an apparent sense of personal pride and feeling of community that pervades the area. This is viewed most dramatically in the poorest sections of the city, the favelas or shanty towns, where flowering plants often adorn the sides of houses and the grounds of the small plots. The city has the good fortune to be sited on sandy soil rather than the ubiquitous red clay of the interior of the region, and it has a history of alert, concerned local government. As the city is also host to the state government, concern for appearances is unquestionably greater in Natal than in the other urban centers within the area.

According to local officials, the horizontal spread of the city is due in large measure to the activities of the National Housing Bank of Brazil (BNH), which over the last decade or so has been responsible for building a number of large public housing projects on the periphery of the urbanized area. The immediate effect of these developments has been an explosive expansion of construction activity at the urban fringes, along a series of long, sparsely developed corridors.

The city's inability to negotiate better terms for the development that does occur within its borders is manifest in the activities of BNH. Although the municipality has the legal responsibility, as well as the legal power, to guide its physical growth, its bargaining position vis a vis developers is weak. Federal and state agencies as well as those who build with the promise of creating jobs do as they please.

In order to qualify for Federally-financed capital projects, the municipality in the mid-1970s contracted through SERFHAU for the preparation of a land use plan. This was undertaken by an outside consulting firm. Although the presence of a physical plan satisfied a legal requirement, it was never employed by the municipality in its own development planning, and the plan is totally neglected.

Another plan recently prepared by a special adviser to the prefeito, probably represents community wishes more accurately and, just as probably, is no more useful than the consultant's scheme.

During the special visit to Natal in 1981 a very large-scale tourist development, several kilometers in extent, was under construction by the State government along a major portion of the city's beachfront. It should have an enormous effect on the growth of Natal, yet none of the city's planning or building departments was formally consulted about the development. State officials simply proceeded to do what they wished without local consultation or approval.

The local government of Natal -- and by implication, any other municipality of moderate size in Brazil -- is unable to examine land development needs and serve them through rigorously enforced ordinances for several reasons. Prominent among these is a history of domineering leadership that tends to produce automatic acquiescence to those in positions of greater power or influence. Equally important has been a corresponding history of weak community organization, including local governance, for articulating and upholding common concerns.

Lack of ability to contribute financially to capital improvement programs is also usually cited as a primary factor in weakening the ability of Brazilian municipalities to assume greater responsibility for their development and to negotiate effectively with others who wish to undertake construction activities within their boundaries.

The municipality of Natal prepared a 1982 budget of approximately U.S. \$43 million. Seventeen per cent of this amount was for administration of the primary school system. (In Brazil municipalities are responsible for providing and administering primary schools; states, for secondary schools and the national government, for higher education -- universities and training centers.) The remaining 83 per cent, about U.S. \$35 million, was expected to be available for the normal operations of city government including both administrative and capital expenditures. This amounted to approximately U.S. \$70 per capita, quite small for a rapidly growing city of a half million people. Given a national economy with an annual inflation rate of close to 100 per cent, the remaining budget seems too low to allow contemplation of extensive capital improvements. Nevertheless \$13.5 million, or roughly, 30 per cent of the budget is destined for capital works. This is a substantial proportion, and with increased revenues one would hope that the capital commitment can grow as well.

Analysis of the projected income of the municipality for 1982 is also instructive. Roughly 18 per cent was expected to derive from subventions provided by the Federal government, 24 per cent from the State government, 49 per cent from local taxes and 9 per cent from various contractual sources. Combined, the Federal and State governments provide over 40 per cent of the municipality's revenues. Unfortunately, the aid is increasing at a pace substantially slower than the rate of inflation, and the municipality is unable to devote a progressively larger share of its income to capital improvements. Although it is expected that municipal revenues will increase by approximately 20 per cent in 1983, the rate of inflation is nearly certain to outstrip that figure by far.

With all the attendant difficulties, in 1981 the municipal government of Natal presented a picture of professional competence. It was directed by an energetic, articulate mayor who enthusiastically supported the local MSC Program. All the departmental directors (secretarios) were highly educated. Several had received degrees or special training abroad. Their relative youth and general lack of specific experience in their respective jobs are a result of the inevitable turnover of supervisory personnel when the office of the prefeito changes hands every four years.

Government officials in Brasilia interviewed in connection with the MSC Program agreed that strong local leadership in the form of an interested, decisive prefeito is crucial to the success of the Program and that this type of leadership was present in Natal. However, apart from the personal qualities of the mayor, it is probable that, just as state capitals are favored in other ways, the level of municipal government is also inordinantly high in such jurisdictions.

Thus, Natal generally is in a favorable position to respond positively to opportunities presented by state and national governments.

D. Organization of the Medium-Sized Cities Program

At the Federal level the MSC Program is the responsibility of the National Council on Urban Development (CNDU), an interagency body chaired by the Ministry of Interior. The operational arm of CNDU is the Subsecretariat of Urban Development (SDU), of the Ministry of Interior. The MSC Program is one of SDU's principal units. (These relationships are shown on the organizational chart of the Ministry of Interior.)

CNDU's role with respect to the MSC Program is primarily that of promotion, coordination and supervision. As of September 1981, the entire professional staff of the MSC unit consisted of only eighteen persons. They work with the participating local governments in developing each municipality's program, in setting up the monitoring and evaluation procedures, and in financial arrangements for disbursing funds.

A particularly advantageous feature of CNDU is that, during the process of its formation, it developed contractual arrangements with every agency of government expected to participate in the MSC Program. Every agency knew in advance what it would be called upon to do in support. In general, the arrangement was that their services would be contracted for by the participating municipalities. Where payment for these services was necessary, it would pass from the National Fund for Urban Development (FNDU) administered by CNDU to the contracting municipality. The municipality in turn would have responsibility for payment of contractors' charges. These would be overseen and audited by the MSC unit.

Another special, and quite possibly unique, feature of the Program is organizational arrangements at the municipal level, constructed to parallel those at the national level. Although these arrangements vary somewhat from municipality to municipality to reflect local forces and predilections, the case of Natal is typical.

This municipality has a Coordinating Commission composed of the area representatives of the public agencies involved with the local MSC Program. Directors of these same agencies comprise the National Commission for Urban Development (CNDU). The local Commission meets quarterly to review progress of the local Program and to assist with establishment of over all policy. Significantly, in the light of Natal's role as a state capital, the Director of the State Office of Planning chairs the meetings of the Coordinating Commission.

Under the Commission is a second advisory and coordinating body, termed the Operating Commission, composed of the directors of operations of each of the agencies represented on the Coordinating Commission, i.e., the persons directly in charge of their agencies' projects which together comprise the local MSC Program. This board, which meets almost

weekly, is chaired by the Director of the Municipal Planning Office. At its meetings control points on the monitoring and evaluation systems are checked, and any slippages in performance are noted and remedial actions recommended.

Under the Municipal Planning Director is the key Project Management Unit, the group responsible for the day-to-day operations of the local MSC Program. It is also responsible for managing another of the Program's special features, the Municipal Fund for Urban Development (FMDU). This is a special development account through which grant monies from the National Fund for Urban Development (FNDU), plus local counterpart funds, are channeled. The FMDU is one of the principal building blocks in the long-term effort to make key medium-sized cities greater contributors to their own development.

Monies recovered from development projects that comprise the local MSC Programs and which produce revenue (for example, from land sales in sites-and-services housing projects) will flow into the fund as will supplemental national and local contributions. The concept is to create local investment funds to be planned and managed by the most competent group each municipality can muster.

At the time of the field trip to Natal, approximately a year and a half after initiation of the local MSC Program, the Project Management Unit was composed of eleven professional people — economists, engineers, sociologists, etc. Although all were formally appointed by the mayor of the municipality, their candidacy had to be approved by the national MSC office. This agency has retained responsibility for reviewing the credentials of professional personnel connected with the Program.

The salary of the Director of the Project Management Unit is actually paid by the national office while the State and municipal governments have each assumed the salaries of five members of the Unit. In the future it is expected that the municipalities, perhaps in conjunction with their respective State governments, will assume full responsibility for paying the salaries and related personnel costs of the local MSC Program.

The Project Management Unit in Natal has three small subdivisions. Two of these are responsible for monitoring and evaluating progress of the projects related, respectively, to increasing income and employment, and to provision of physical and social infrastructure. The third subunit handles the accounting and financial management of FMDU, the local development fund.

All the professional personnel of the Project Management Unit have received special training from the Institute of Budgeting and Programming, one of the agencies participating in the Program. The training is

related to a key element of the MSC Program, i.e. the project-by-project monitoring of physical progress and financial expenditures on a regular basis and the concurrent evaluation of project achievements in terms of outputs and other specific targets.

The management processes employed are based on a logical framework system maintained by INOR. They involve regular reporting on two aspects of project activities: the efficiency with which projects are being executed, and the effectiveness of the projects in meeting their respective goals.

The processes for monitoring, controlling, and evaluating projects appear to function well, and rapid progress seems to be made on the full array of projects. The only anxiety expressed by those close to the Program was that, with the inevitable change in the prefeitura scheduled to take place in 1982, many personnel changes would be made and the operations, severely disrupted. Nevertheless, local leaders were beginning to think and to plan for a second round of projects based on new grants and loans, and the recuperation of funds invested in the initial Program.

III. Local Development Planning Process Promoted by the Program

During the start-up period of the MSC Program each participating municipality has the responsibility for preparing three, brief, inter-related documents. The work is normally undertaken by the local planning offices in conjunction with the newly established Project Management Units and with the special technical assistance of the national MSC office.

The first of these documents is a profile, actually a brief sketch, of the economic, social and spatial situation of the principal urban center, the "city", with a set of statements respecting the major difficulties that affect the city's over all well-being. The document is designed to set forth the nature and, in the eyes of local authorities, the relative severity or importance of these problems. These include such considerations as service deficits, land development, employment needs and the like.

The second document sets forth the preliminary development strategy of the municipality for confronting these difficulties and establishes target figures for the solution of specific problems.

The third document describes each project proposed as part of the over all development strategy for the city, explaining how such an undertaking will contribute to the solution of the locality's problems.

In the words of the cooperating personnel of the World Bank:

Any component may be proposed that falls within the Program's broadly-defined categories of urban infrastructure and services, employment and income creation, and administrative and financial improvements. The system allows cities to propose solutions to specific local problems in the light of local priorities, while at the same time providing a framework of consistent information within which the proposals can be reviewed.³

Project profiles are prepared according to guidelines developed by the World Bank for appraising projects and establishing their eligibility for inclusion in a comprehensive urban development program. As emphasized previously, a basic criterion for appraising a project proposed for support by the Bank is its relationship to improving the well-being of the urban poor.

The full local documentation, including the particulars of each project, is reviewed by the sectoral agencies that comprise the various coordinating commissions. Project recommendations are also reviewed as an integrated development package by the several full commissions.

A. Comprehensive Planning in the MSC Program

Although principal emphasis of the planning process is on preparation and execution of integrated packages, where necessary, the process can include direct assistance to participating municipalities by the national MSC Program office in such additional tasks as preparing city-wide land use plans.

This is not the usual procedure, however, and where it is undertaken the controlling concept is not to be more specific than absolutely necessary. The exercise is to be done in connection with, and as necessary basis for, specific development projects that are anticipated. A frequent example of such a project is urban transportation, which requires that major undertakings be based on a generalized physical plan for the urban area to be served.

To the degree possible the planning process seeks to skirt issues attendant to the general management of land development in order to concentrate on promoting locally-managed action projects. Obviously, however, if the two strands of planning consideration are not brought into balance, the projects that are undertaken will exacerbate land development problems.

3. World Bank, Op Cit., p. 8.

B. The Development Program of Natal

The projects that comprise the initial development program of Natal are representative of the integrated packages of activities undertaken by a number of the participating municipalities. In the field of income and job creation the projects are:

1. Assistance to the operation of public markets

The project involves a variety of activities related to provision of warehouse facilities; construction and rental of movable stalls, etc.

2. Assistance to incipient fishermen's cooperatives

Again, a number of activities are involved including establishment of an umbrella cooperative with some 3,500 participants and the provision of facilities for collecting, sorting, cleaning, packaging, and distributing the produce.

3. Assistance in the establishment of a local office of technical assistance to small (under ten employees) commercial and industrial firms

Under this project the office personnel to be retained will be specially trained by a national agency connected with the MSC Program.

Projects related to the provision of physical and social infrastructure for the city include:

1. Expansion of the municipal water system to accommodate all major portions of the urbanized area.
2. Extension of the sewage system to previously unserved, low-income sections of the city.
3. Provision of major storm drainage facilities for several of the poorer residential sections of the city.
4. Improvement of the garbage and rubbish collection and disposal system of the city, acquisition of additional equipment and provision of sanitary landfills are some of the components of this project.
5. Improvement of the urban transportation system, principally road improvements and extension of bus service into and through low-income areas of the city.
6. Expansion of the existing sites and services housing program.

7. Construction of a series of public health clinics in the unserved low-income sections of the city.
8. Construction of a police sub-station in a low-income residential area whose residents requested additional police protection.

Projects related to improvement of municipal government involve:

1. Provision of improved electronic equipment for financial control activities of the municipality;
2. Improvements of various kinds to the cadastral system of the municipality.

Some of the Program's projects in Natal, as elsewhere, are undertaken directly by the municipality with its own personnel. Some, usually when construction is involved, are contracted for by the municipality. Others are undertaken by State or Federal agencies under special agreements with the local government; and some represent a combination of efforts by several agencies.

The local Project Management Unit in Natal has the same basic responsibilities as the other cooperating units. It is responsible for project execution and operation, including design, contracting, construction, supervision of works, cost recovery and the like. A critical path statement is prepared for every project monitored. Quarterly reports are prepared and reviewed with the coordinating commission to identify and correct problems.

The MSC Program in Natal was functioning quite well at the time of the field visit in 1981. All the projects included in the Program met important needs of the city. A noticeable feature of the Program in Natal, however, was the absence of projects related to the particular regional context of the city and its specific economic activities, with distinction between those projects located in Natal and those in other urban places in the region.

There was, moreover, considerable similarity between the Program in Natal and the Programs in the other participating cities. It was evident that, efforts by the national office of the Program (SDU) to encourage differentiation of local programs especially suited to the respective economies of the individual cities notwithstanding, in fact, a more or less standard package of core projects was being adapted by participant cities. Directors of the SDU expressed some anxiety over this situation. It may be that considerable uniformity is necessary -- and inevitable -- in the initial elaboration of this type of multi-sectoral Program.

For this reason continuity of the Program is of great importance, for only over time is it possible to achieve the diversity which is desired and still manage the over all Program in an efficient manner.

IV. Conceptual and Procedural Issues in the Middle-Sized Cities Program

As the first round of assistance to a select few municipalities draws to a close and discussion begins regarding the nature and extent of a second round of specialized aid, a series of critical issues are confronted.

One of these relates to the coverage of the Program. Will the MSC Program expand to include all secondary cities of the country or only a few? Under either alternative, what are the criteria that will be employed to determine eligibility?

These questions have a growing urgency. In a specialized aid program it is often possible to initiate action on a limited basis without a strong conceptual base or broad political support. Common sense combined with limited resources steer initial actions along a few, fairly obvious paths that create little controversy. Unless, however, an aid program has a powerful rationale that can be popularly understood and appreciated, it will soon run into crippling difficulties. Then it risks becoming diffuse and ineffective. This process is particularly marked in countries where it is customary to discard or radically change policies and programs whenever the leadership of important ministries changes.

If the MSC Program is to be extended in more or less its current form to include 150 to 200 cities then the national commitment will have to be of a very high order, for the financial resources involved would escalate enormously. Assuming that, in order to provide a relatively secure institutional base, the Program that currently includes ten cities at an over all cost of U.S. \$200 million were to be extended for a second, three-year cycle. The level of effort would amount to U.S. \$400 million. If a second group of ten cities were to be added at the end of the first three-year cycle, and so on until 200 cities were incorporated into the Program, the financial cost would jump to U.S. \$4 billion. Given the hard pressed-financial situation of Brazil, it is difficult to imagine the national government sustaining such a level of effort without a very strong motivation.

On the other hand, drastically limiting the Program to a relatively few cities that perform specific, intermediate roles in the advancement of key regions would also require a strong national commitment in order to justify continued, high-level support to the favored few.

Whatever the decision, therefore, if the Program is to be carried to the point of achieving significant results, it will require a strong,

easily articulated and understood conceptual framework. Such a scaffolding did not yet exist in 1981.

The MSC Program can probably continue to grow and prosper if compelling reasons are established for limiting the target group but still allow for a certain leeway to accommodate peripheral cases that come with strong political support. Such a deliberate narrowing of the field would require:

1. that the cities incorporated in the Program played definable, perhaps complementary, roles in their respective regions, and
2. that the package of aid extended to them strongly related to supporting these roles.

In order to fulfill these requirements, it would be necessary for the pragmatic, action-oriented character of the Program to respond to the broader orientation of the Ministry of Planning, the agency of government responsible for relating major public undertakings to an overall economic development strategy for the nation as well as to strategies for its separate, major regions.

Specifically, this would mean that special emphasis would be placed on promoting economic activities that not only improve the well-being of the urban poor but promote the economic integration of the region within which the respective, recipient cities are located.

Such considerations, of course, complicate the task. On the one hand, there is the need to provide the theoretical basis for limiting the scope of the Program to include significantly fewer cities than initially publicized. On the other hand, there is the need to make the aid packages correspond to the special economic and social requirements of each city and its regional hinterland.

With sufficient political will, Brazil can unquestionably marshal the technical resources to make such definitions and determinations, and it can monitor, evaluate and adjust major elements of the Program accordingly. The very high level nature of the undertaking suggests, however, that probably only countries with a fairly advanced urban structure and a strong technical capacity can expect to emulate the MSC Program as executed in Brazil.

If the Program is to have a positive influence on key secondary cities it will be necessary that the package of capital improvement projects selected for the successive rounds of investment as well as the physical location of these projects be planned to achieve efficient spatial arrangements. In this respect a tentative, though promising, beginning has been made by the national office of the MSC Program, i.e.

through technical assistance to municipalities in the preparation of sketch physical plans and subsequent aid in the actual preparation of the development project packages.

Although it is unrealistic to expect that the Program can counter-balance forces tending toward fragmented and inefficient development, over time care in the siting of major public investments can act as a constraining force on irrational development of land.

The overriding issue confronting the MSC Program relates, of course, to the matter of being willing and able to sustain the MSC Program over an appreciable period of time. If at the end of the first three-year cycle special aid to the initial ten cities were to be abruptly ended in order to assist a second group of ten cities, the situation of the first group could be drastically worsened. Expectations would be dashed, institutions in an incipient stage of development would be severely, perhaps fatally, wounded and many programs would be stalled. There is implied, therefore, that along with the need to supply an MSC Program with a strong conceptual base there is need for special attention to the long-term institutional requirements of the Program, most particularly at the local level.

This the Brazilian Program sets out to accomplish, particularly through the innovative devices of special revolving development funds at the municipal level and small, professionally staffed local project management units capable of initiating and executing an array of important projects.

Currently, however, both the national organization responsible for the Program and the Program's local management units are structured on an ad hoc basis that can be easily dismantled. The arrangement promotes fairly rapid turnover of the professional staff. It is possible, therefore, that the exceedingly promising beginning of the MSC Program in Brazil, which contains numerous elements for emulation by other countries, will not develop into an organization of great national utility. It is to be hoped, nevertheless, that the Program will retain its dynamism long enough to achieve significant results in Brazil and to provide additional lessons for other countries in similar stages of development.

II. The Case of Korea

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I. Context of Korea's Intermediate Cities Program

In late summer 1981 the Government of Korea announced a program to stimulate the development of 14 cities, with the objective of relieving the pressure of population growth on Seoul and Busan, the country's two largest cities.

Centerpiece of the Second 10-Year National Land Development Plan, the population dispersion strategy seeks to make "growth poles" of the 14 cities, creating in each strong attractions for future residents. Three of these places -- currently Korea's third, fifth and sixth largest cities -- are designated for particular priority under the program. The idea is to bring them up to a level on a par with the country's leading urban centers.

Major government investments in infrastructure, for example, hydropower, water supply, and transportation facilities, are envisioned as the chief means of achieving the desired magnetism in the secondary cities. Housing, industrial and cultural projects would be tied in as well, increasing the cities' capacity to absorb substantial new growth.

Some background to Korea's situation aids understanding of the rationale for this secondary cities program, its precedents, prospects and the institutional machinery for putting it into effect.

General Background

In scarcely more than three decades' history as a modern nation the Republic of Korea has undergone the devastation of war, geographical division and one of the most strikingly successful efforts to achieve rapid economic development observed anywhere. Created in 1948 under United Nations auspices after almost a half-century of Japanese colonial rule, Korea was very shortly embroiled in military conflict. South Korea emerged in 1953, a very small country with many refugees and displaced persons. Most of the country's mineral wealth and industrial base lay to the north of the demilitarized zone. Of the 38,175 square miles in the south, three-quarters is rugged, mountainous and widely denuded of forest cover. The remaining arable area is divided into intensively cultivated small holdings for the most part, following post-war land reforms. South Korea is among the most densely populated countries of the world. Indeed Korea's people are its prime resource. They are an energetic, hard-working people, members of a single ethnic group who speak a common language. Literacy is high, the rate having exceeded 90 per cent for some years now. Government has been highly centralized and under strong presidential control. A large standing army remains as a reminder of ever-present defense concerns.

Korea's economic boom has been achieved through concerted government-led efforts emphasizing industrial production for export markets. The country was able to attain economic growth rates on the

order of 10 per cent per year through the 1960s and early 1970s. Although growth has slowed in more recent years, it is still sustained at a healthy pace exceeding the rate of population increase.

The World Bank classifies Korea as a middle-income country, with a per capita gross national product (in 1978) of \$ 1,160 per year.

Over the past 30 years Korea has become urbanized at a pace virtually unparalleled, even in the rapidly urbanizing developing world. Between 1970 and 1981 urban population grew 93 per cent.¹ By 1975 half the population was urban. With two-thirds of her population living in cities today, Korea has attained a degree of urbanization approaching that of some of the world's most industrialized nations.

In 1970 there were 32 cities of 50,000 population or over. Today there are 50, 35 of which had more than 100,000 residents in 1980. There are also 25 towns of over 50,000, 14 of them larger than 100,000. Eight cities are in the 200,000-500,000 size class; two, in the 500,000-1,000,000 class. Four have more than a million inhabitants.

Even with a range of urban living opportunities available through this whole hierarchy of city sizes, growth of Korea's largest urban concentrations has continued on an enormous scale.

One-third of Korea's 37.5 million population live in her two largest cities. Seoul alone has a 1981 population of 8.5 million. Busan, at 3.5 million, is the size of Seoul in 1965. Both cities have grown by almost two and one-half times since that year.

"Very rapid economic growth has made almost every problem associated with urbanization less serious. In many developing countries rapid urbanization has been accompanied by high unemployment rates among migrants and by long periods of transition into organized employment sectors in cities. Korea's rapid economic growth has enabled cities to absorb migrants into the urban labor force rapidly. Korea has thus been spared much of the urban discontent, discouragement and violence that has plagued some developing countries. Although urban housing remains inadequate for many Koreans, homelessness and extremely inadequate housing have been reduced to a small scale by the mid-1970s. Finally, transportation investments have kept pace with Korean urbanization. Otherwise, chaos would have resulted in the largest cities."²

Thus it is not the present intractability of primate city problems that motivates Korea's concern for building up secondary cities, but

1. Total population increase, 1970-81, was 20 per cent.

2. Mills, Edwin S., Princeton University and Byung Nak Song, Korea Development Institute, Korea's Urbanization and Urban Problems, 1945-1975.

rather three quite specific objectives. One is the lesser social cost of coping with urban expansion at a scale smaller than continued growth of the largest cities would demand. Second is the desire for a more balanced pattern of growth throughout the country -- utilizing resources so far undeveloped and interrupting the self-propelling trend of regional disparity. The breadth of the gap between opportunity in the more favored parts of the country and other areas has, itself, been recognized as one of the most significant contributing factors to the growth of Seoul and Busan. Third is the matter of national security. So much of the nation's population and economic activity concentrated in Seoul is vulnerable because of its nearness to the border with North Korea. Concern for dispersion is a real issue, one which has even inspired proposals for relocating the capital.

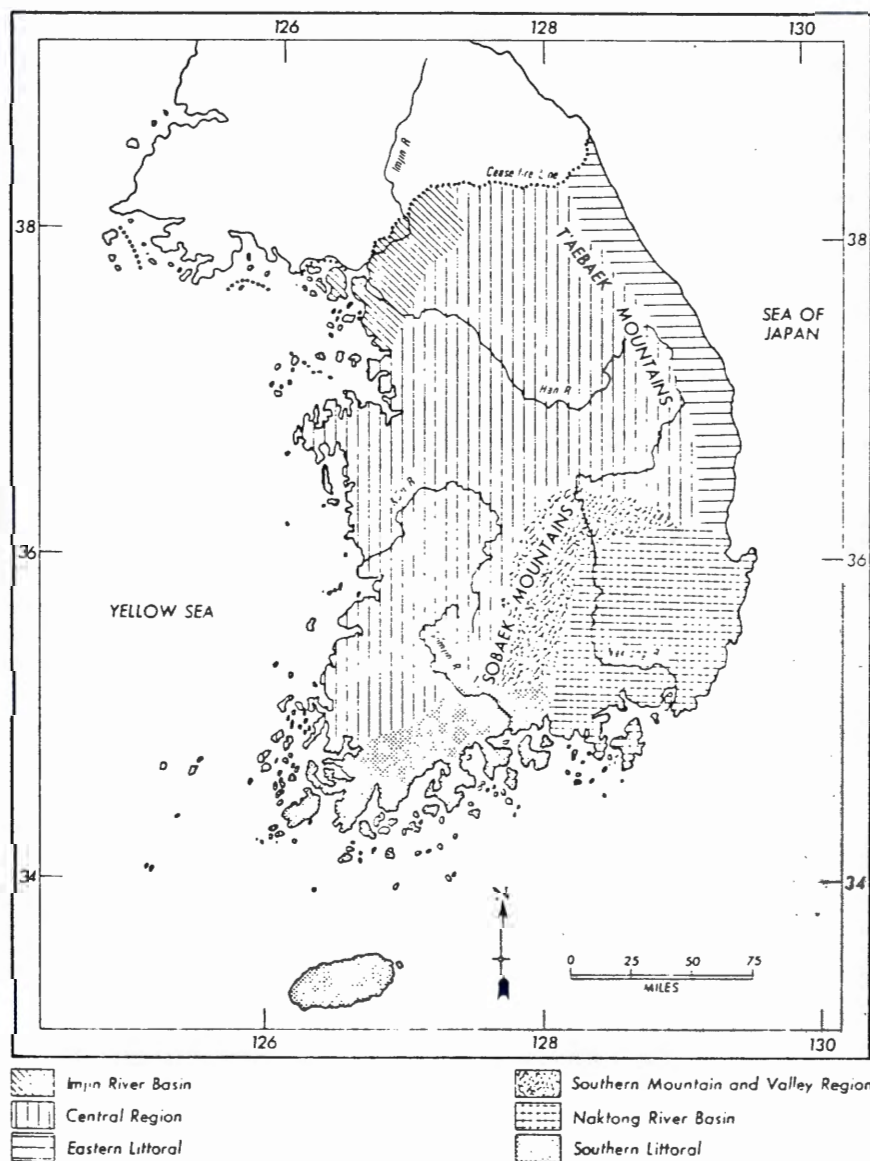
Nor is the concern with the spatial distribution of development something new in Korea. Decentralization policy and "growth poles: or "regional cities" have been talked about since the mid-1960s at least. Indeed, government has tried a wide-ranging variety of approaches to stemming the flow of migrants to the big cities. Among these have been national land utilization planning, institution of a rural community development program, imposition of residence tax in the big cities, limiting admissions of students in the big city educational institutions, an integrated regional development program, "deconcentration" of industrial development to satellite cities outside Seoul and Busan, and national housing and land development programs to ease the difficulties of municipal expansion.

The effects have begun to show in the past few years. Although Seoul has not stopped growing, much less diminished in size or degree of dominance, its growth has moderated from the rate of more than 7 per cent in the 1965-75 years to half that between 1975 and 1981. Busan's annual growth rate has stayed in the 5-6 per cent range, increasing slightly toward the end of the period. Several other cities have outpaced these two, however. Notably, these are cities in the region surrounding Seoul and in the southeastern coastal area along routes radiating outward from Busan. These developments are certainly testimony to the industrial deconcentration program if not to the combination of other approaches.

Looking to the future, however, the new Five-Year Economic and Social Development Plan for 1982-86 asserts that much greater emphasis needs to be placed now on balancing regional development. Sustained economic growth depends on it. Moreover, Seoul's growth must be even more tightly reined. The Economic Planning Board's projections show that Seoul's population would reach 10.3 million by 1986 if permitted to continue growing at its present rate. The plan's target for Seoul is a maximum 9.2 million in 1986; for Busan, an increase of no more than a half million between now and then.

This Fifth Five-Year Plan reaffirms a critical role for "growth poles" in its current spatial policy. The Economic Planning Board is calling for a "major shift in government strategy", however. They want to move away from the 1970s' emphasis on a single leading sector

Republic of Korea, Mountains and Major Rivers



Source: Yreeland, Nena et al, Area Handbook for South Korea, Foreign Area Studies of the American University, Washington, D.C., Second Edition, 1975, p. 35.

(through creation of new industrial estates) to more broadly-based efforts at boosting growth of individual cities. The individual city strategies, in turn, are to be cast in context of regional development programs.

As might be expected for a country of limited land resources that has been deeply involved in reconstructing war-damaged cities, extensive building of infrastructure, and substantial government investing to create a new national economic base, physical planning has long been part of the scene. Plans have been prepared at every scale, from the national level on down through regional, special development areas, existing cities and new towns to large development projects. Although the real driving force for development investments has come from economic, or sectoral, planning rather than the recommendations of these physical plans, they continue to be prepared, adopted and updated with increasingly sophisticated techniques. They do serve as a geographical framework for land allocation decisions.

Local planning has been long range and general in nature, the sort that presents a picture of how things might be in a given city at some future time, 10 or 20 years hence. Now, however, as the Planning Board's strategy calls for economic development programming and local planning to converge, planning practice is newly burdened with the need for bolder approaches and much greater attention to the specifics of implementation. Corollary challenges lie in applying an effective "system of incentives" for investment in targeted locations (as spotlighted in the current Five-Year Plan) and in strengthening the ability of municipalities to manage and finance the requisite physical development.

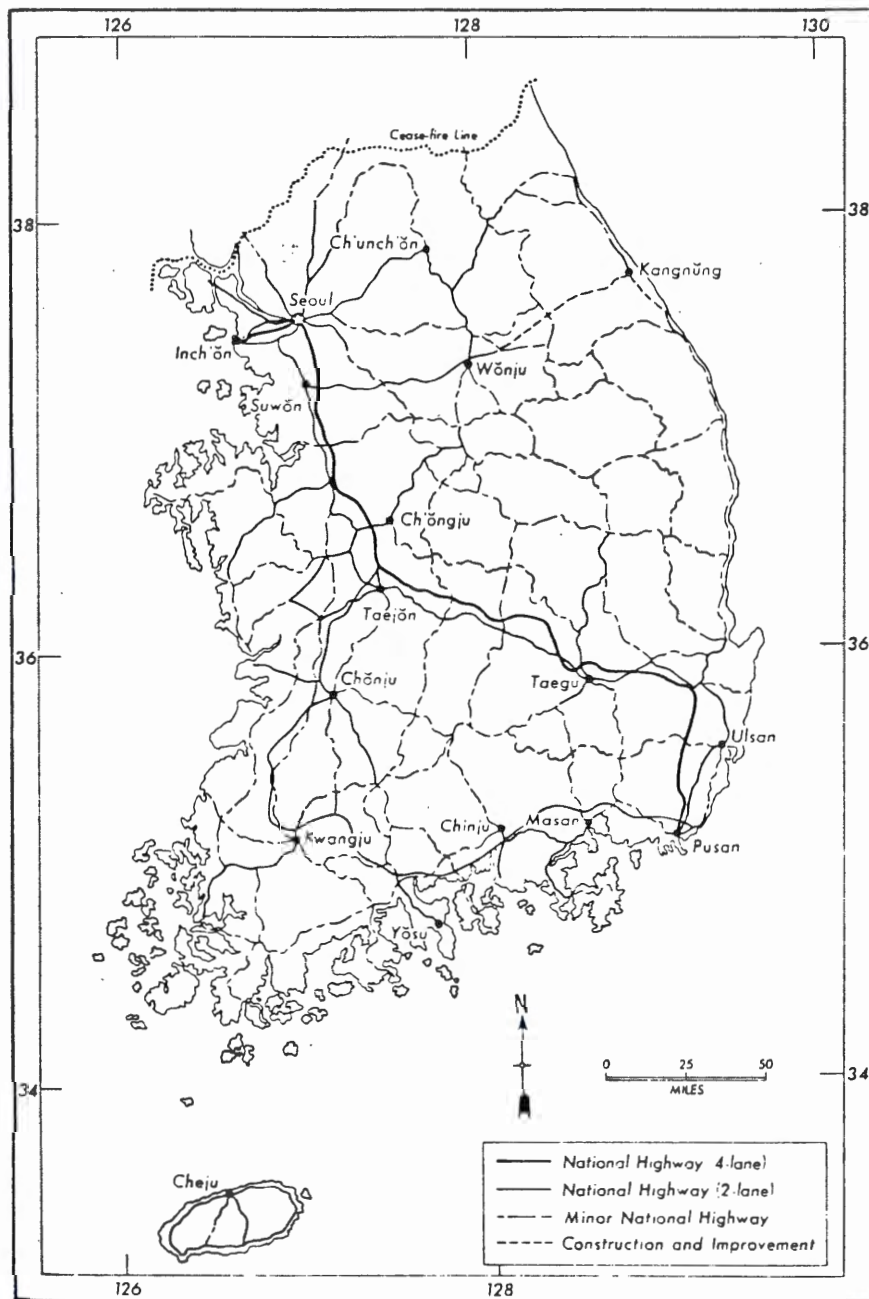
The Geographical Pattern of Development

Historically, Korea's mountainous terrain was a crucial determinant of the country's settlement pattern. Whatever fairly level land people could find was occupied and cultivated, with densities becoming greatest in the plains and lowland areas. The resulting concentration of population and activity in the coastal plains and the greater ease of water transport combined to emphasize coastal movement. Of the 32 cities in Korea in 1970, 14 were ports and six others were close to the coast.³ Location of the mountain passes shaped the main overland transport routes.

Junctures of the principal routes were where the largest cities developed. Seoul and Incheon in the west and Busan in the southeast gained their early commercial importance as ports. Other major cities, -- Daegu, Gwangju and Daejeon, for example, -- grew up as crossroads collection points for mineral and agricultural products.

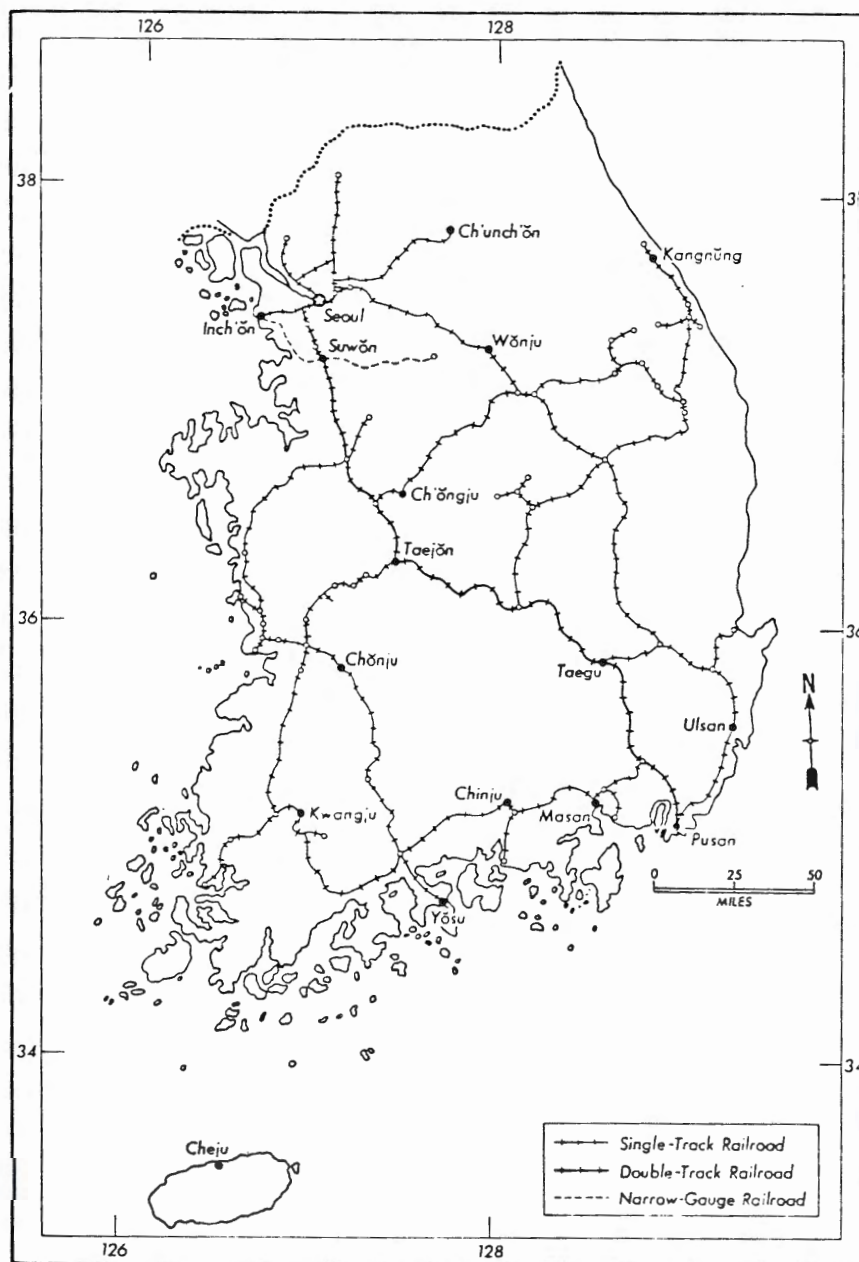
3. Vreeland, Nena et al, Area Handbook for South Korea, Foreign Area Studies (FAS) of the American University, Washington, D.C., Second Edition, 1975, p. 42.

Republic of Korea, National Highway Network, 1973



Source: Vreeland, Nena et al, Area Handbook for South Korea, Foreign Area Studies of the American University, Washington, D.C., 1975, p. 47.

Republic of Korea, Railroads, 1973



Source: Vreeland et al, Area Handbook for South Korea, Foreign Area Studies of the American University, Washington, D.C. 1975, p. 45,

Dominance of Seoul increased over time, as more and more of the country's manufacturing activity, business and leading educational and cultural institutions came to be located there. Since the 1950s, particularly, the expansion of government itself contributed to the capital city's sustained pace of growth. The power of Seoul as political center increased with government involvement in an ever-widening range of development activities, enterprises and controls. Even growth elsewhere in the country, enhanced Seoul's position inasmuch as central government exercises power over all lesser administrative units as well.

Thus Seoul has continued to attract "the ambitious and talented through the potent and still-accurate traditional belief that proximity to powerful figures is a requirement for personal advancement."⁴ Approvals necessary to the conduct of every day business similarly require access to the authorities who grant them -- in Seoul.

Outside the capital the emergent settlement pattern has been very much shaped by Korea's industrialization policies. The substantial amount of new industry created and its geographical distribution have resulted in major population shifts, both rapid and widespread. The areas favored by governmental investment in infrastructure in support of industry and then by the location of manufacturing plants have shown the most dramatic growth. These include the larger cities in general, the southeastern coastal region as a whole and the area within a radius of 40 km or so around Seoul.

So great has been the attraction of jobs in manufacturing and services that the population in cities of 100,000 or more grew by four to five times between 1949 and 1975. Small cities (of under 20,000 population) lost ground during this period of rapid urbanization by not growing at all. Rural population declined absolutely.

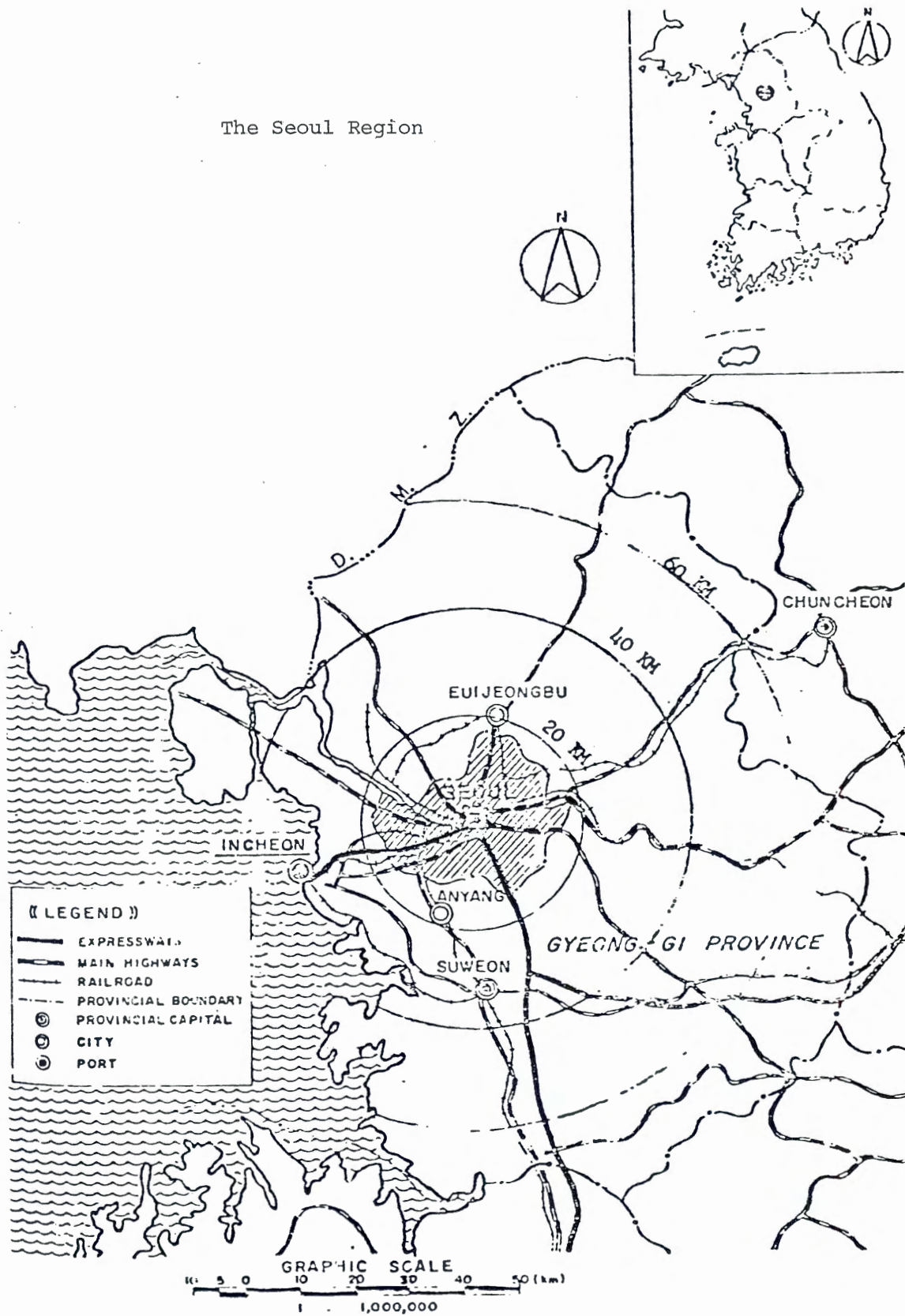
In general most of the larger and intermediate size cities have maintained their positions of relative importance. The exceptions -- all of them below the six largest cities in rank order of size -- have been notably in the Seoul Region or in the dramatically changing southeastern coastal area.

Seongnam, for example, was not classified as a city until 1972. With 272,000 population in 1979 and 345,000 in 1980, it is now the ninth largest city in Korea. Anyang, also near Seoul, was the 39th city in rank order of size in 1960. By 1980 it was 14th, with a population of 216,000.

Ulsan grew more than tenfold between 1960 when it was the 40th city with a population of 30,000, and 1980 when it was in 8th place with 393,000. Pohang rose from 24th to 15th as it tripled in size over the same 20 years. Masan moved up from 8th to 7th place, by doubling in size between 1970 and 1980. These three cities and others⁵ in the

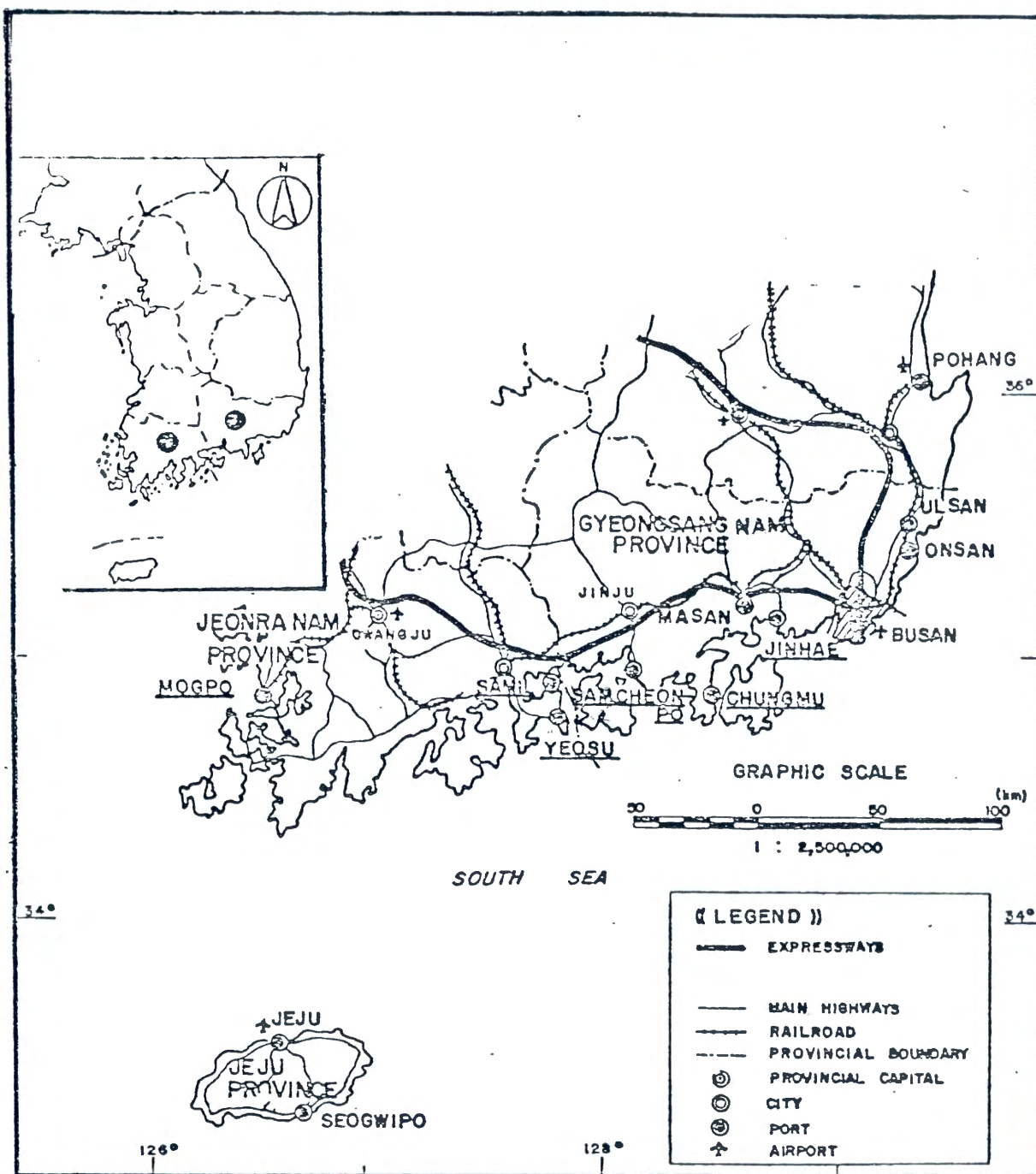
4. Ibid., p. 3.

The Seoul Region



Source: Ministry of Transportation, Korea Port - Phase Two Development Development Study, Seoul, 1956.

The Southeastern Coastal Region



Source: Ministry of Transportation/Korea Port - Phase Two Development Study Group, Korea Port - Phase Two Development Study, Final Report, Vol. 1, Introduction and Summary, 1976, p. 56.

Urban Populations and Ranks, 1960-1980
(population in thousands)

Rank	1960		1966		1970		1975		1980		Rank
	City	Population	City	Population	City	Population	City	Population	City	Population	
1	Seoul	2,445	Seoul	3,805	Seoul	5,536	Seoul	6,889	Seoul	8,114	1
2	Busan	1,163	Busan	1,430	Busan	1,881	Busan	2,454	Busan	3,035	2
3	Daegu	676	Daegu	847	Daegu	1,083	Daegu	1,311	Daegu	1,573	3
4	Incheon	402	Incheon	529	Incheon	646	Incheon	800	Incheon	1,044	4
5	Gwangju	315	Gwangju	404	Gwangju	503	Gwangju	607	Gwangju	733	5
6	Daejeon	229	Daejeon	316	Daejeon	415	Daejeon	507	Daejeon	613	6
7	Jeonju	189	Jeonju	221	Jeonju	263	Masan	372	Masan	398	7
8	Masan	158	Mokpo	162	Masan	191	Jeonju	311	Ulsan	393	8
9	Mokpo	130	Masan	155	Mokpo	178	Seongnam	272	Jeonju	361	9
10	Cheongju	92	Suwon	128	Suwon	171	Ulsan	253	Seongnam	345	10
11	Suwon	91	Cheongju	124	Ulsan	159	Suwon	224	Suwon	290	11
12	Gunsan	90	Ulsan	113	Cheongju	144	Mokpo	193	Cheongju	237	12
13	Yeosu	87	Jinju	107	Chuncheon	123	Cheongju	193	Mokpo	217	13
14	Jinju	87	Wonju	104	Jinju	122	Gunsan	154	Anyang	216	14
15	Chuncheon	83	Gunsan	103	Yeosu	114	Chuncheon	141	Bucheon	196	15
16	Wonju	77	Yeosu	102	Gunsan	112	Jeju	135	Pohang	195	16
17	Gyeongju	76	Chuncheon	100	Wonju	112	Anyang	135	Jinju	186	17
18	Suncheon	69	Jeju	88	Jeju	106	Pohang	134	Gunsan	169	18
19	Chungju	69	Jangseong	87	Jangseong	103	Yeosu	131	Yeosu	162	19
20	Jeju	68	Gyeongju	86	Euijeongbu	95	Wonju	120	Jeju	161	20
21	Jinhae	67	Jinhae	81	Gyeongju	92	Iri	117	Chuncheon	156	21
22	Jangseung	67	Chungju	80	Jinhae	92	Bucheon	109	Iri	141	22
23	Iri	66	Suncheon	79	Anyang	92	Suncheon	108	Weonjo	136	23
24	Pohang	60	Iri	79	Suncheon	91	Gyeongju	108	Euijeongbu	125	24
25	Gangneung	59	Euijeongbu	75	Chungju	88	Euijeongbu	108	Chungweon	125	25
26	Andong	53	Cheonan	71	Iri	87	Chungju	105	Suncheon	119	26
27	Euijeongbu	51	Pohang	66	Pohang	79	Jinhae	104	Gyeongju	117	27
28	Gimcheon	51	Gangneung	65	Cheonan	78	Cheonan	97	Cheonan	116	28
29	Samcheunpo	50	Andong	64	Andong	76	Andong	95	Jinhae	112	29
30	Sosa	48	Sokcho	63	Gangneung	74	Gangneung	85	Chungju	112	30
31	Chungmu	48	Dongducheon	59	Sokcho	73	Jechon	74	Gangneung	111	31
32	Sangju	47	Gimcheon	56	Jechon	62	Sokcho	72	Gwangmeong	105	32
33	Sokcho	46	Anyang	54	Gimcheon	62	Yeongju	71	Gumi	103	33
34	Cheonan	44	Samcheonpo	53	Dongducheon	60	Gimcheon	67	Donghaeung	102	34
35	Mukho	41	Chungmu	51	Yeongju	59	Chungmu	67	Andong	101	35
36	Jechon	39	Mukho	50	Sosa	57	Hwangju	61	Jechon	83	36
37	Songtan	35	Jechon	50	Mukho	56	Dongducheon	60	Yeongju	78	37
38	Yeungju	32	Sangju	48	Chungmu	55	Samcheonpo	60	Shindo	76	38
39	Anyang	31	Yeungju	46	Samcheonpo	55	Shindo	59	Sogcho	72	39
40	Ulsan	30	Songtan	44	Sangju	53	Songtan	57	Gimcheon	71	40
							Jangseung	56			

Sources: Ministry of Home Affairs, Municipal Yearbook of Korea, 1974 and Municipal Yearbook of Korea, 1980;
Economic Planning Board, Report on Population and Housing Census, 1975.

southeastern coastal region have shared in the boom that made this area the major focus of growth during the last decade.

Korea's emphasis on development of heavy industry oriented toward imports of raw materials and exports of finished goods has been the major factor in the phenomenal development of the southeast. The area has good natural harbors and mild climate; and it is closer than any other to primary sources of raw materials as well as the Japanese market. Undeveloped land along the coast offered large sites suitable for the refineries, petrochemical and other chemical plants, and for the steel and shipbuilding complexes that were built. Moreover, this is the part of the country farthest from North Korea. Government has augmented the natural advantages of the region by major investments in ports and other infrastructure and through financial measures encouraging private decisions to invest in the Southeast.

Although construction of industrial estates has facilitated a wider dispersion of manufacturing activity in general, highly focussed policies in the manufacturing and transport sectors have contributed to a more selective and less broadly balanced pattern of development. Within the last planning period, particularly, the flow of credit for business development was controlled so as to emphasize heavy industry. That had a great impact on fueling growth in the Southeast relative to other parts of the country. With respect to investments in upgrading transportation facilities, the dominant themes have reflected the industrial development thrust of government, i.e. ports oriented toward the outside world, highway access between the larger cities and Seoul and Busan, and a system of mass transportation to serve the "deconcentration" objectives in the region surrounding Seoul.

Other governmental action, e.g. in housing, land use regulation, community development, social infrastructure and administrative training has had more important effects on the quality and management of Korea's urbanization than on its spatial distribution.

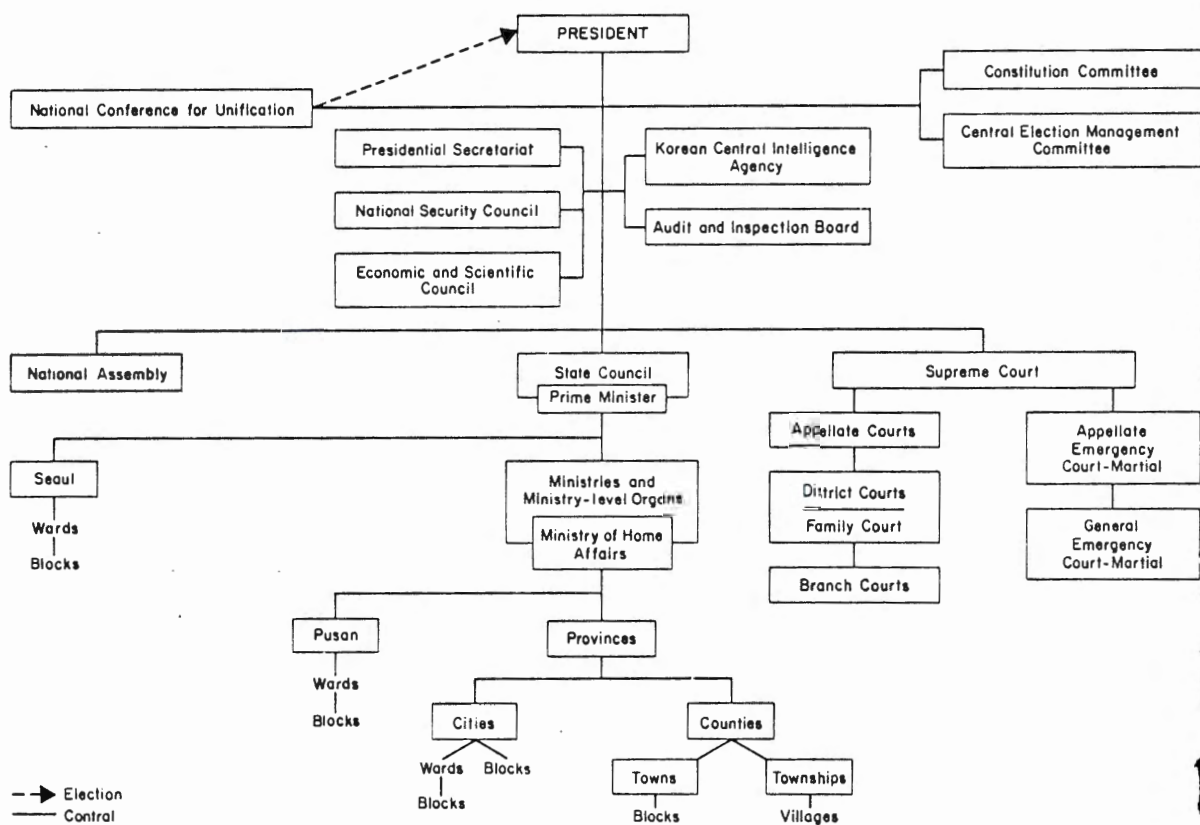
Urban Development and Management in the Governmental Structure

South Korea is divided into thirteen administrative subdivisions, all of which are, in effect, implementing arms of the central government. These include nine provinces headed by governors and four "special cities" whose status is parallel in some ways to that of the provinces.

Provincial boundaries generally circumscribe units that were established five centuries ago and are associated with river basins. The provinces are further subdivided into units of "general" city with populations of 50,000 or more and counties. Counties are further subdivided into towns with populations of at least 20,000, townships and villages.

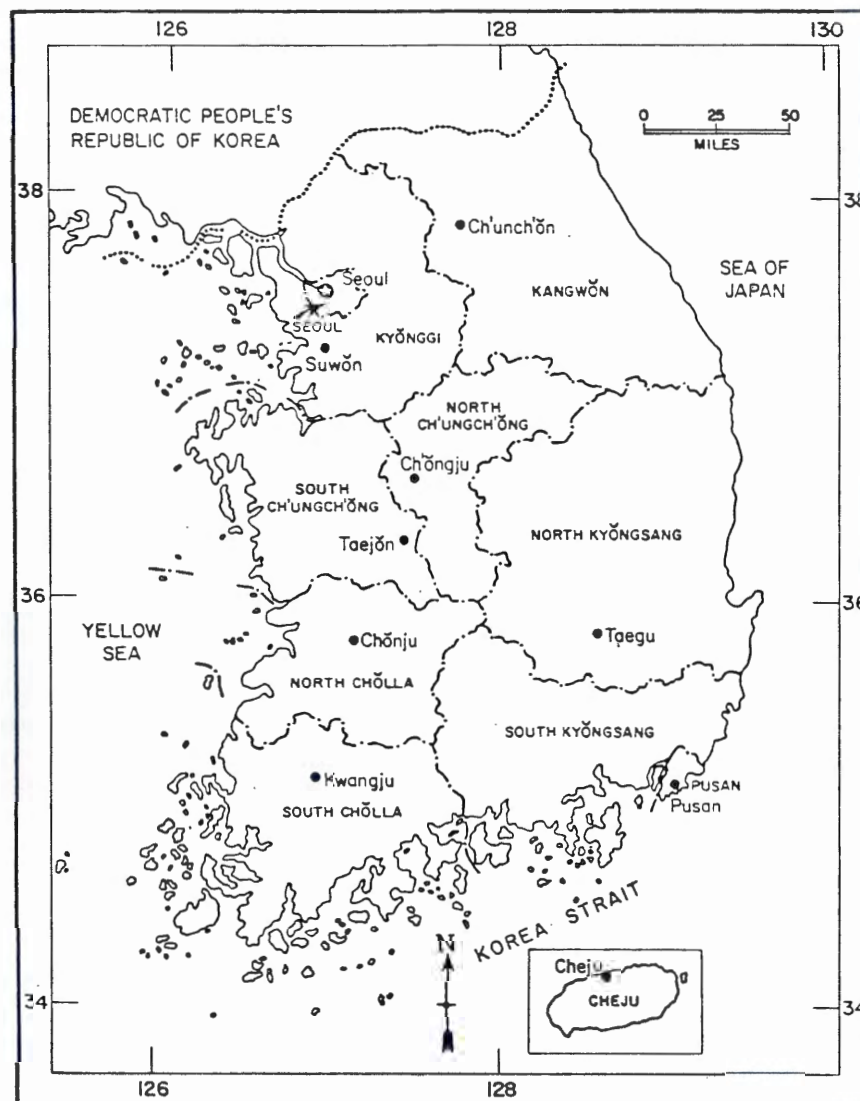
5. E.g. Busan, Yeosu, Jinhae.

Governmental Organization, Republic of Korea



Source: Vreeland et al, Area Handbook for South Korea,
 Foreign Area Studies of the American University
 Washington, D. C., 1975, p. 151.

Republic of Korea, Administrative Subdivisions



Source: Vreeland et al, Area Handbook for South Korea, Foreign Area Studies of the American University, Washington, D. C. Second Edition, 1975, p. 41.

The governance of local units is a direct and closely monitored channel for policies of the state.

Heads of all the provincial and local government units are career administrators who accede to office through presidential appointment. Recommendations for provincial governors are made by the Minister of Home Affairs from the prominent members of the civil service. Mayors of the 46 ordinary cities and county chiefs are nominated by their respective provincial governors. The special cities (Seoul, Incheon, Busan and Daegu) are under the direct control and supervision of the Prime Minister's office, rather than the Ministry of Home Affairs (MOHA). It is the Prime Minister who place the names of their mayors before the President for formal appointment.

Local government officials are rotated among various positions in different parts of the country after serving tours of, perhaps three to four years in one place. It is not unusual for an individual in the course of his career to have experience in many different levels of the administrative hierarchy, with the exception of central government. Personnel units for local and central government authorities are separate, the latter having somewhat higher social prestige. In the local government service a successful promotional route would most likely be from units of smaller size to larger ones, with status escalating accordingly, up to the pinnacle which is the position of Minister of Home Affairs. Seoul's mayors tend to be selected from among those who have attracted attention as mayors of other large cities. The mayorship of Seoul, in turn, seems to be regarded as stepping stone to the position of Minister of Home Affairs.

None of the administrative subdivisions has had an elected decision-making body for the past twenty years even though local autonomy legislation remains on the books.

The authority of local governmental entities to levy taxes and to borrow funds is tightly constricted. Because locally-generated revenues are unable to cover more than 50 to 60 per cent of local governments' expenditures, these units are financially dependent on the central government. Assistance is provided through subsidies for special projects or programs central government wishes to implement, through the provincial offices of the ministries, and directly, through a shared tax.⁶

6. The shared tax allocations are based on the computed difference between the local entity's projected "needs" and its ability to finance such expenditures through local revenue sources. As the sum of local governments' "gaps" exceeds the money available for distribution, the Ministry of Home Affairs determines unit costs for the various services. Estimated "needs" are consequently the computed costs of meeting a schedule of uniform standards of service compiled by the central government (expressed in won per thousand population or won per square feet as in the case of expenditures for property maintenance). "Ability" is measured as 80 per cent of the

The system is such that the entire budgetary structure of local government is subject to close supervision and coordination by central government. In the course of its monitoring activities, central government generates an elaborate data base on the individual communities and establishes for each level (or broad size category) a uniform standard of community services.

At the level of central government, responsibilities for the intermediate size cities divide principally along the lines of urban administration, which is the bailiwick of the Ministry of Home Affairs (MOHA), and development, which is the concern of the Ministry of Construction (MOC).

Long range planning for the cities is a function which involves both ministries, but in somewhat different ways. All the cities have plans which are mandated by law. The framework within which these plans are prepared and their final approval must come from the MOC. This Ministry is the parent agency of the Korea Research Institute for Human Settlements (KRIHS) which, among its various research duties, sets out the policy and statistical parameters, e.g. population targets, as the terms of reference for preparation of individual local plans.

Arranging and paying for the preparation of the local plans as well as overseeing their implementation falls to local government. Thus screening and acceptance of the plans by MOHA is also required. In actual practice the municipalities usually contract with professional consultants -- and sometimes with KRIHS itself -- to prepare the plan documents. The plans are screened by advisory committees within the municipalities and then by MOHA before being sent on to MOC for formal acceptance.

Once adopted, the local plans are officially the plans of government. They are the basis for stringent land use regulations and greenbelts, special zones and building permits through which local government controls the location of private sector development. In larger privately developed housing estates, the Ministry of Construction also requires installation of schools, recreation facilities and other community services by the developers in accordance with the standards set forth in the plans.

The relationship of public sector development to the plans is complicated by the fact that several different arms of central government and local government itself carry on development activities.

regular local tax levy. Separate "unit expense" scales are created for the special cities, provinces, nonmetropolitan cities and the counties. The Ministry of Home Affairs has some flexibility for adjusting to changing conditions and responding to emergencies. (Pages 128 and 129 show how needs or cost standards for nonmetropolitan cities are specified.)

The Ministry of Construction, through its eight regional offices, designs and builds most public works, e.g. roads, schools, water supply, etc.⁷ MOC's national Physical Planning Bureau achieves over all coordination through review of designs and final inspection of completed construction. MOC's projects are, by and large, as called for in the local plans with respect to location and scale. Such is not always the case, however, with projects of the Korea National Housing Corporation (KNHC) and the Korea Land Development Corporation (KLDC), agencies which have more clout than the plans and more than local administrators.

The Korea National Housing Corporation (KNHC) is a government corporation set up nineteen years ago as the principal implementing agency for public housing programs and other measures to relieve Korea's housing shortage. Its mission includes the supply, finance, and upgrading of shelter⁸ as well as the management of housing estates. KNHC is attached to the Ministry of Construction, which directs its housing operations in consultation with the Ministry of Finance.

KNHC's building program is very large by any criterion -- 45,000 units in 1981.⁹ The work is widespread throughout the country, but under highly centralized control. Seven branch offices have responsibility for construction management, yet all basic project planning is done in Seoul.

Beginning in 1976, KNHC reoriented its production from emphasis on Seoul and Busan (where over two-thirds of its units had been built in the previous 14 years) to other cities. By 1979 almost three-quarters of their new units were being built in 38 cities other than Seoul and Busan. Thirty of these are cities in the small or medium size class. New projects were begun in five more cities within the last two years.

Under a 1977 Ministry policy that governs KNHC operations, priorities for housing construction focus on five regional growth poles (Daegu, Daejeon, Chongju, Gwangju and Masan) and seven other industrial cities. KNHC is charged with providing housing for industrial workers in these targeted locations. The objective is to have the housing ready when it is needed. Timing of the industrial development and other new activities is not always well synchronized with the housing construction, however. Delays in the creation of new jobs has left KNHC with several hundred vacant units in various locations. This problem is characteristic of the smaller cities where KNHC is enjoined to build, virtually nonexistent in the largest cities with the greatest backlog of demand.

7. Exceptions are power and telephone lines which are built by the Korea Electric Corporation and the Ministry of Communications' Bureau of Telephones, respectively.
8. Sites and services projects are covered by the term, shelter, in addition to conventional housing projects.
9. This level of activity surpassed even that of the Japanese Housing Corporation for the current year (35,000), though not the JHC's all-time annual record.

In the past KNHC housing was about evenly divided between units for rent and for sale. Now, however, all new housing is built for sale. Consequently market acceptance is an important factor in the agency's planning. Although resistance to the five-story walkup flat (99 per cent of current production) has been overcome in time, consumer concerns impose other constraints on the projects. One of these is cost, as KNHC is obliged to build for low and moderate income families. Another is location, specifically, access to urban services and employment. KNHC has had a major problem reconciling these needs in the selection of housing project sites.

The Korea Land Development Corporation (KLDC) is another government corporation, created in 1979 to play a major role in shaping as well as implementing urban land development and reclamation policies. Its mission is to acquire land for residential and industrial use and to sell the land either for private development or to develop the land itself prior to sale. Developments up to the size of a whole new town are within the purview of KLDC and its current priorities center on residential land development for low income groups.

KLDC has been vested with the assets of a predecessor agency, the Korea Land Bank, that had been formed in 1975 to acquire excess property from businesses. That earlier body had had too limited a scope of operations to make much impact, and it was unsuccessful in meshing its land supply with the demands for urban expansion and development. KLDC, with its broader mandate and international agency assistance has grown rapidly in size and project experience.

In addition to Seoul headquarters there are currently five KLDC branch offices located in: Busan, Daegu, Gwangju, Daejeon and Chonju.

Finance for KLDC activities has come mainly through government capital and sales of bonds backed by its land assets. All its costs for land acquisition and development (including overhead and interest) are to be recovered through its land sales. The cost-sales price equation virtually forces KLDC to seek out the cheapest possible land.

The municipalities are a third group empowered to develop land for housing and allied purposes. They do subdivide land and install utilities and roads, and they are required to provide off-site infrastructure for the housing projects of the KNHC and KLDC. Their methods and approach to development are different from those of the central government project development agencies. Both their degree of initiative in the development of raw land and their volume of activity are also more limited. This is so partly because of their restricted financial resources and partly because central government has not cast them in a leadership role with respect to urbanization.

A high level MOHA official expressed the attitude of central government that the key to developing the intermediate size cities is in creating the industries and jobs to attract population and the essential infrastructure for supporting them. This is the primary interest of

government. It is the job of city administration to fill in later with the services. But this is a subsidiary objective in his view, and one which has rightfully received short shrift.

Implementing agencies such as KNHC or KLDC generally do try to follow the land use guidelines set forth in the master plans when they select project sites. When for reasons of cost, immediate availability, accessibility or another, the choice of land conflicts with a city's master plan, the project planning considerations generally prevail, and there is a fairly straightforward process for amending or revising the plans. This is consistent with the sort of long range (20 year) comprehensive and general guidance type of local planning that has been done. In the case of such a conflict the project implementing agency, once its detailed plans are prepared, reviewed by the municipality and approved by the Ministry of Construction, is required to propose revisions in the land use maps of the communities involved and process the revised versions up through MOC channels for approval. There is a National Urban Deliberations Committee composed of ex-officio ministry officials and professionals or university professors who review these proposals and make the formal decisions on revising or amending the adopted master plans.

This process of amending and updating the long range, "end-state" type of city plan does not, however, directly address some other practical, more immediate and possibly more serious development problems that arise. These have to do with timing and sequence, with coordination of budgeting for project components and connections to the larger community, with the relationship of different agencies whose efforts need to mesh but are controlled by inherently conflicting policies. Housing standing unoccupied because the potential buyers and the economic activity to support them have not yet arrived reflects this sort of problem. Other illustrations are purchases of residential sites by KLDC under the dictates of its least-cost selection criteria which are so distant from existing development they fail to meet KNHC's criteria and prove excessively costly when it comes to the municipalities' extending infrastructure, or simply the massive housing estate that does get built and tenanted but lacks the schools or health clinics, the shopping facilities, recreation or other services that go to make up an urban community.

Increasing pressure on the part of citizens for improved services is an emergent feature of the development environment in which the urban development and management agencies are working. In the push for economic growth attention to urban services has been downplayed. Similarly, concerns about pollution. Now, however, these matters are in some quarters beginning to be seen as elements in a strategy to attract population and economic activity to communities outside Seoul and Busan.

Two additional, and very important, factors affecting Korea's urban development in the coming years should be recognized here as well. One is the enormous national housing program which calls for almost 3.5 million new units to be built over the next decade. This will mean

scaling up annual public sector production to levels of 130,000 - 140,000 dwelling units, i.e. a tripling of the present rate; and a private sector output averaging over 200,000 units per year -- a mighty challenge to the development institutions identified above.

Their efforts face further challenge in the second factor, the scarcity and high price of urban land. Between 1965 and 1977 the price of urban residential land rose by 3,472 per cent (compared with an increase of 436 per cent in the consumer price index). Land as a component of the cost of an apartment rose from 9 per cent to 39 per cent during those same years.

Urgency of the need for housing and the severity of the land supply/cost situation have led government to devise a series of special measures for coping. These are described in the following section on procedures for the development of urban land.

II. The Urban Land Development Process

Two approaches to the development of urban land are widely used in Korea today. Land readjustment is the technique employed by municipalities to subdivide agricultural land into building sites and to provide those sites with urban services. Sometimes this is done in collaboration with the KLDC and, in a few cases, the KNHC. It has been a popular, and until recently the principal, development process because it enables the local governmental authority to accomplish installation of utilities, roads, school sites, etc. without a net outlay of capital. Reservation and expropriation of land for housing projects is the second and newer scheme, increasingly favored by the central government development agencies, the KNHC and KLDC. This mechanism has features geared toward holding down the price of residential land for lower income families and improving the efficiency of large-scale development projects.

Although the more recently instituted approach avoids some of the problems of land readjustment, it has some of its own and it can entail substantial capital expenditure at the outset of a project.

Features of the two approaches are summarized below.

Land Readjustment.

This system was introduced in Korea by Japan during the years of occupation, and updated by Korea's Land Readjustment Law of 1966. Land readjustment has been employed primarily in residential area development, but there have been some commercial and industrial applications also.

The procedure is for the municipality to declare an area of the city which is ripe for development as a Land Readjustment Project (LRP). Then the city surveys the property and prepares a site plan showing the streets, plot lines, and sites for community facilities such as schools, parks and other land uses. Costs of site preparation and

installing the essential infrastructure¹⁰ are estimated, and the eventual market value of the serviced lots is projected. Based on these figures, a calculation is made of the proportion of lots or land area that would have a value, when sold, equivalent to the investment in infrastructure. In these matters of site plan and appraisal, the municipality or lead development agency of central government may hear opinions of landowners and professional experts whom it appoints to a land readjustment advisory committee.

When the project site development has been completed, the municipal authority withholds the land designated for streets and community facilities sites plus the number of finished lots whose sale at auction will enable the city to recoup its development costs. This withheld portion is called the "area reduction" or "cost reduction". The remaining finished lots are returned to the original owner or owners of the property in proportion to the value of their respective original interests. In some cases, the city has sold the public facility sites to the governmental agencies responsible for developing them, e.g. the Ministry of Education.

This method of accomplishing urban expansion is advantageous in that it permits installation of basic services without net cash outlay by local government, the cost being tapped from the increased value accruing to the land as result of its being furnished with infrastructure.

Analysts William Doebele and Myong Chan Hwang¹¹ point out certain technical problems in accurately forecasting infrastructure costs and sales price or market value of the finished lots. They also observe that the manner of applying land readjustment may accelerate land price increases rather than helping to hold them in check and contributes relatively little to expanding the supply of housing for low income families.

In concept each land readjustment project should be self-financing and not require input from the general funds of the city or town. This puts particular pressure on the city to devise a successful marketing strategy for disposition of its "cost reduction" lots -- and sometimes to manipulate the market -- so that the land auctions do, indeed, realize the necessary yields within a reasonable time. This generally has

10. Work typically includes grading, street layout, platting, paving of arterial roads, installation of sewer trunk lines (but not water supply) and sometimes curbs and street lighting. Since user charges are relied on to cover the capital and operating costs of the water agencies, the tendency is to wait until enough lots are sold and under construction to assure there will be sufficient demand.

11. Doebele, William A. and Myong Chan Hwang, "Land Policies in the Republic of Korea with Special Reference to Decentralized Development", World Bank, July 1978.

meant keeping the supply of available lots somewhat behind demand. Indeed, it has even gone to the extent of the municipality's offering preferential tax exemptions to improve the competitive position of its own lots in the market.

The system does not take into account the need for some working capital between the time a project is begun and when cash is generated by sale of the finished lots. What actually happens is that the city "lends" the front-end money to the project. But the formula for repayment through the proceeds of lots sales makes no provision for interest on the "borrowed" money. A city with several ongoing LRPs may get around the cash flow difficulty by using "surplus" income from a project in the marketing stage for starting a new project or for upgrading an older development. This practice may be questionable. Such surpluses, generated through a combination of conservative initial market estimates, strong demand and the effects of inflation on sales prices, should, in principle, be returned to the original land owners.

As for the original land owners, Doebele and Hwang find evidence that many of the small farmers who are displaced from an LRP area cannot afford to acquire farmland elsewhere and cannot afford to hold on to their interests in the LRP until it is completed. Because they tend to sell out early, it is speculative subsequent owners who realize the handsome capital gains from the converted land when the city ultimately releases it.

Land readjustment practices by the cities may be more indicative of effort to "work the system" as fully as possible rather than to implement national housing and land development policies. The results, at any rate, do not seem to reflect high priorities on increasing the supply of land for housing low income households, slowing the rise of land prices or coordinating the provision of housing with other decentralization incentives offered to industry and labor.

These shortcomings in the land readjustment system appear to be among the factors that inspired the special new procedures outlined in the Housing Site Development Law. This legislation, in effect since January 1981, provides for a more direct approach to land planning, acquisition, development and disposition. This approach is linked more closely to implementation of central government programs and it incorporates features intended to assure a supply of land for low and moderate income housing.

The Housing Site Development District

Under authority of the new law, the Minister of Construction¹² may designate as special districts areas required for large-scale integrated

12. The Minister of Construction may delegate some of his authority under this law to the mayors of Seoul or Busan Special Cities, to provincial governors or to directors of local land management offices under the MOC.

(i.e. housing and allied services) development projects in accordance with the national housing program. This is to be done in consultation with other ministers whose areas of responsibility would be involved in the eventual development and with heads of the respective local jurisdictions to be affected. It would also follow review by the Housing Policy Deliberation Committee.¹³ The proposed designation must be supported by survey of the land involved and a program describing how it would be developed. Mayors of Seoul and Busan Special Cities, county heads, governors or housing project development agencies may be ordered by the Minister of Construction to participate in preparing this documentation.

Once a housing project district has been designated and publicly announced, the value of the immediate site and peripheral properties is frozen at a standard level. The standard is indexed, however, to the rate of change in wholesale commodity prices, and if the land is not expropriated within five years of its designation as a housing project district, the land reverts to its original status. Meanwhile the owner is obliged to obtain a permit from local government for any physical change he wishes to make in the property.

The Minister of Construction names as executor, or lead developer of the district, a state or local governmental body, the KNHC or the KLDC. The designated executing agency is charged with preparing detailed site development and implementation plans for review and approval by the Minister of Construction. This is a one-stop approval process, incorporating screening for all legally required permits and clearances applicable to such a project.¹⁴

Having received the Minister's approval, the plans are forwarded to the presiding mayor or county head where the project district is located for release to the public.

The executing agency negotiates purchase of the land or expropriates it as it is needed for development. Site acquisition can be delegated by the lead agency (if a central government entity) to the governor, mayor or county head where the land is located along with a fee amounting to 3 per cent of the purchase price or standard fixed compensation.

13. A 20-member committee chaired by the Deputy Prime Minister who is also Minister of the Economic Planning Board. The Minister of Construction is Vice Chairman.

14. For example, urban infrastructure, land readjustment, housing construction, water supply, public sewerage, reclamation, riverworks, public roads, agricultural land conservation, lumber harvest, grassland use, erosion control, industrial development, surveying, mineral rights, environmental impact assessment and special regulations pertaining to specific agencies such as the KLDC.

In-site infrastructure is installed by the project executing agency. Local government is required to provide all off-site roads, water supply and sewerage facilities. Electricity and gas (on-site and off-site connections) are to be provided by the respective suppliers for the area involved. Communication and postal facilities are the responsibility of the Korea Electrical Communication Corporation. All these utilities and facilities are to be furnished in accordance with standards and schedules set by the Ministry of Construction.

Costs of the off-site infrastructure are to be borne by the bodies charged with construction, but local government may be subsidized by the State for up to half the necessary expenditure. If local government cannot meet even half the cost of its obligations (which is not uncommon for smaller cities) the lead implementing agency for the project goes ahead and builds the off-site infrastructure. The municipality then has three years in which to repay the funds that are thus "advanced".

Executing or implementing agencies may sell off low income housing sites in their project districts for development in accordance with their housing development plans, at prices below the cost of site preparation. They may also repurchase at the original selling price plus accrued interest, land which has not been so developed within three years of its sale. Land in the housing development districts slated for middle or upper income housing and commercial uses is put up for competitive public bidding. Profits realized by the project implementing agency from sale of these parcels can be used to subsidize the development costs of land for low income housing in the project. This cross-subsidization technique was instituted just this year in connection with a World Bank-assisted project. Experience is still too new to evaluate.

Implementing agencies can raise working capital at the outset of a project in one of three ways: by advance sales of building sites (for which purchasers pay all or part in cash); by issuing "land amortization" bonds backed by mortgages on the housing which will ultimately be built and sold; or through State subsidy.

When KLDC purchases land for a housing development district it may pay up to one-half the negotiated purchase price (or standard compensation when it is a case of expropriation) in land amortization bonds and the rest in cash. Other executing agencies are required to pay the full acquisition cost in cash.

This new development tool, forged in the Housing Site Development Promotion Law, gives government the option of initiating large-scale development and controlling its timing. In addition to land readjustment, which can still be applied where appropriate, there are now means for securing extensive sites for low income housing relatively inexpensively. The central government and its administrative subdivision are, at the same time, furnished a tool with which they can influence the supply of land on the market, and thus, the movement of land prices in urbanizing areas.

The following diagram¹⁵ shows the distinction between outright land acquisition for development with subsequent disposition to private sector builders or homeowners, and land readjustment. It is quite clear how much more scope government has under the acquisition/disposition approach for shaping the use of land to its development priorities.

Seventy per cent of the land to be developed under the national housing construction program for the 1980s is scheduled for the acquisition/disposition approach. Large, low-price sites will be sought for this portion of the program, possibly even some in areas now designated by master plans as green space. In these districts 30 per cent of the total land area to be developed is expected to be devoted to public infrastructure uses (e.g. roads, community facilities etc.) Half the remainder is to be for single family mid- to higher-cost housing. When sold, these lots will be priced so they can cross-subsidize the low income public sector housing on the last 35 per cent of the development site.

Land readjustment will be used for 30 per cent of the residential land to be developed under the housing program. This approach will be used mainly for sites adjacent to existing residential areas where land prices are high. In the LRPs, 45 per cent of the land will be returned to the original owners, 30 per cent of the parcels will be an "area reduction" for infrastructure and an additional "area reduction" amounting to 25 per cent of the project area will be retained by the governmental implementing authority. Of this additional "reduction" 40 per cent (i.e. 10 per cent of the total LRP) will be sold off as lots for more costly single family housing. It will be priced at levels sufficient to cross-subsidize the other 60 per cent (15 per cent of the over all LRP) where public housing will be constructed.

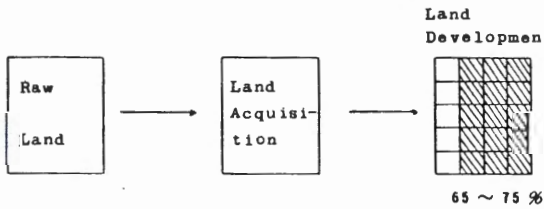
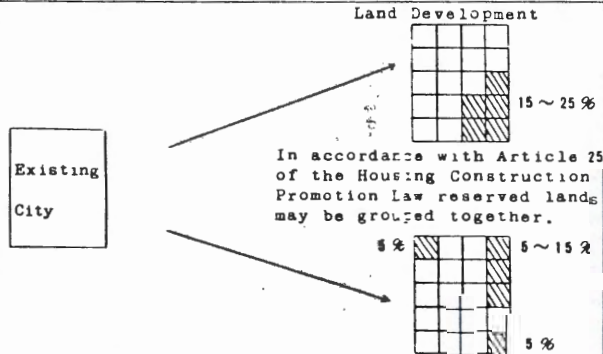
Although the greater control over the development process is gained at the expense of greater initial capital investment by government, the law provides a mechanism for securing some of that "front-end" capital. There is at least some basis for expecting that, as the new system works to suppress speculation in land at the urban periphery, the new land amortization bonds will be seen as attractive investment opportunities by private sector and institutional investors.

As for problems likely to arise with the new mechanism, government can surely anticipate some resistance to the expropriation measures. Beyond this, it will take time before it is possible to see how the procedures work out in actual practice.

There is considerable evidence of the systematic manner in which government is going about connecting its national housing and land development programs with these development tools and the implementing agencies charged with applying them. By 1980 KLDC had already surveyed

15. From the KLDC's "Methodology for Residential Site Development: Emphasis on Implementation Policy Over Theory", p.16.

Model for Residential Site Development

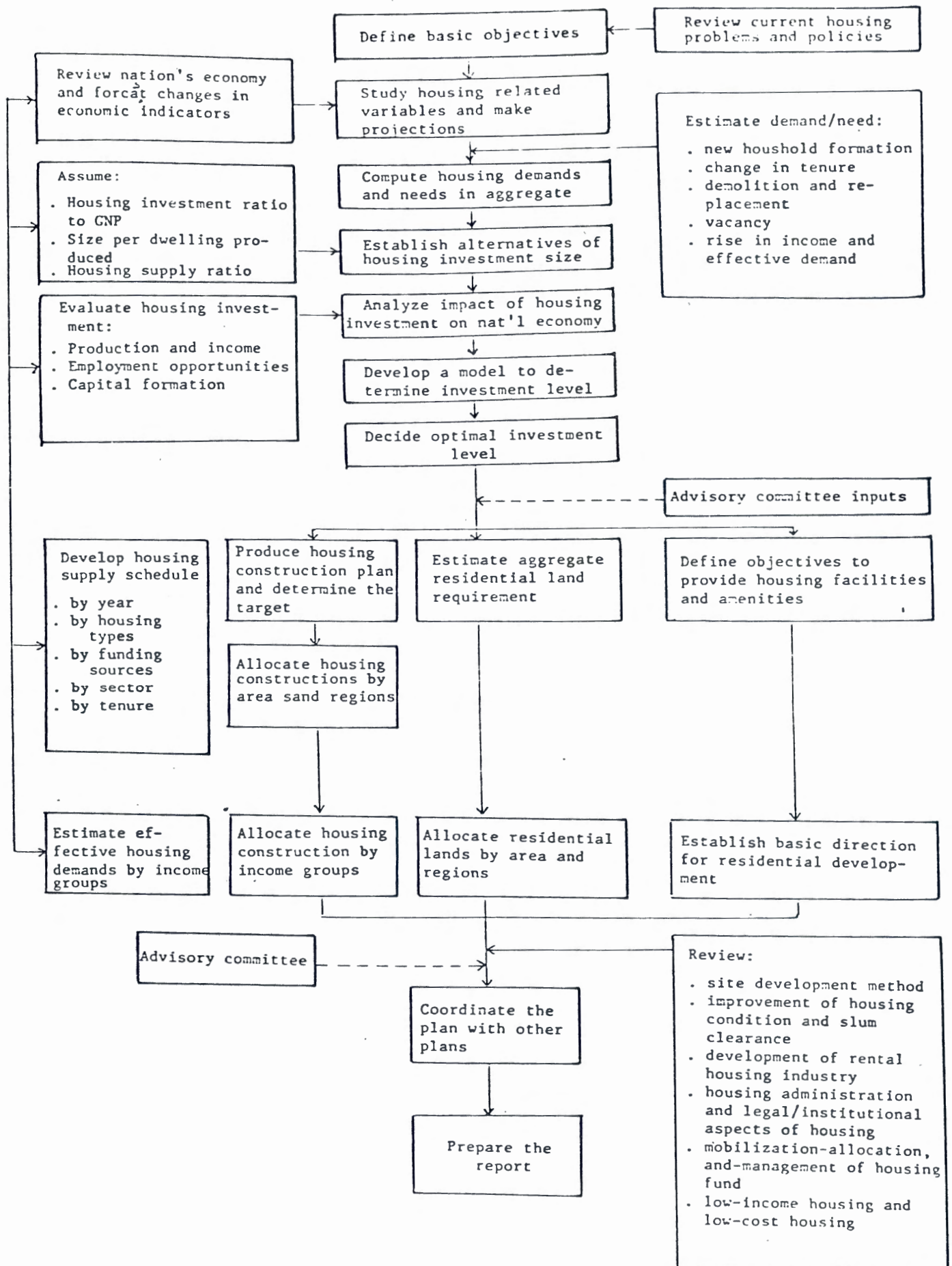
Land Development-Supply Method	Site Selection	Land Acquisition	Land Development	Illustration
Land development project in accordance with the City Planning Law	Agreement by two parties ① KLDC President ② City mayor	① Land acquisition under mutual agreement (at market value) ② Land acquisition under mutual agreement, after meeting requirements concerning compensation, acquisition of public use land (at market value) ③ Land acquisition in accordance with eminent domain (publicly announced standard price)	(Example) Total land 100,000 pyongs Public use land 25,000 ~ 35,000 pyongs Residential sites 65,000 ~ 75,000 pyongs	 <p style="text-align: center;">Land Development 65 ~ 75 % Residential Sites</p> <p>Agreement for land transaction, appraisal, survey, contract, title transfer, etc. require lengthy time.</p>
Land readjustment project in accordance with the Land Readjustment Project Law	Agreement by two parties ① KLDC President ② City mayor	N/A	(Example) Total land 100,000 pyongs Land retained by original owners 45,000 ~ 55,000 pyongs Public use land 25,000 ~ 35,000 pyongs Land retained by KLDC (Reserved land) 15,000 ~ 25,000 pyongs	 <p style="text-align: center;">Land Development</p> <p style="text-align: center;">In accordance with Article 25 of the Housing Construction Promotion Law reserved lands may be grouped together.</p> <p style="text-align: center;">15 ~ 25 % 5 ~ 15 % 5 %</p>

40 cities and towns to determine the amount and situation of land potentially available for residential development. They have also been monitoring the monthly movements in land prices. The following figures¹⁶ indicate the preparatory work that has gone into the national housing program, revealing concern with implementation from the very beginning.

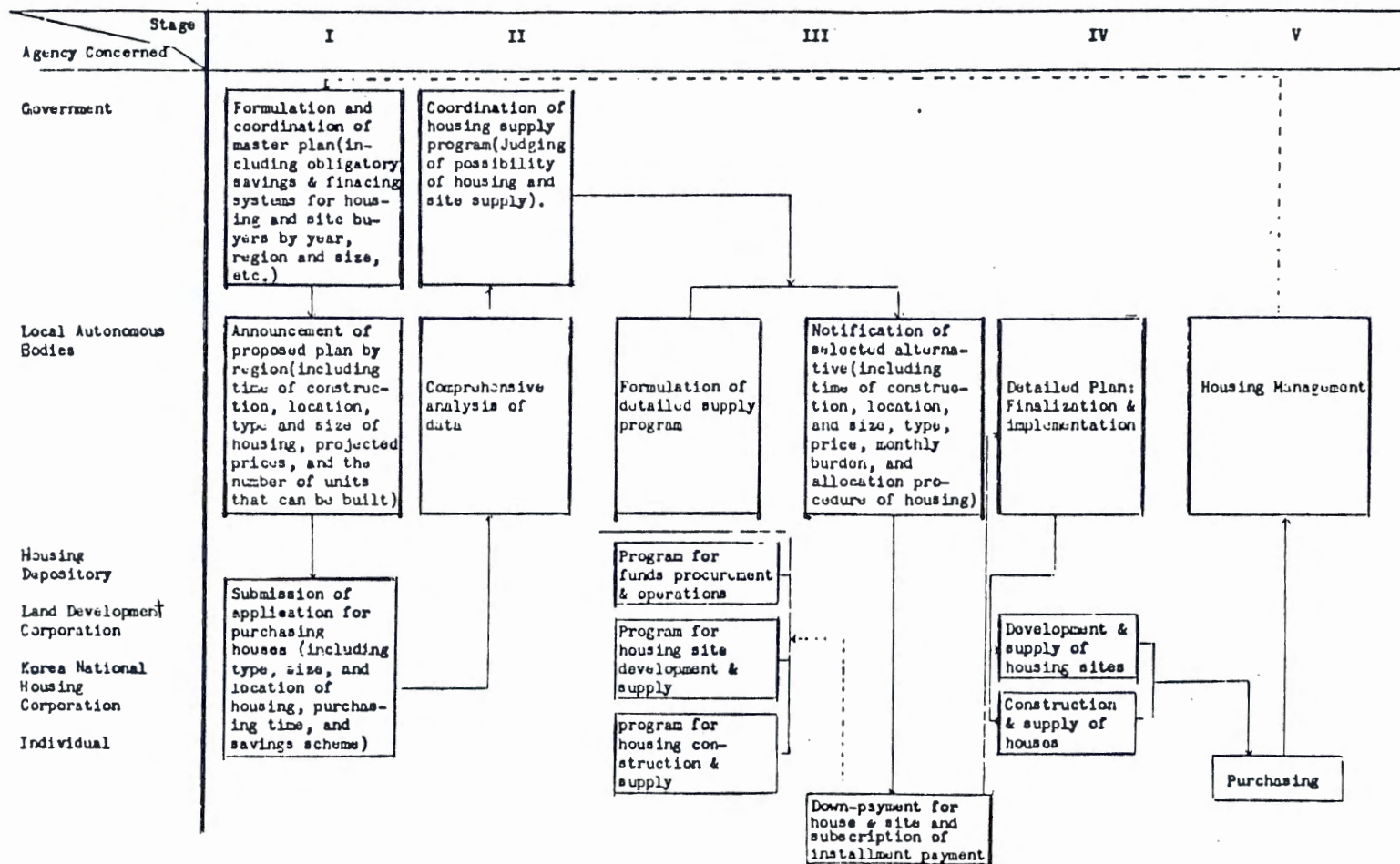
Relationships between implementation activities and land development policy or "spatial" policy and, more specifically, policies for intermediate size cities and towns are discussed at greater length in the pages that follow.

16. Sources: Jeong-Ho Kim, Senior Research Fellow, KRIHS, "Housing Development Planning in Korea", 1981; and Korea's "Master Plan for Public Housing Construction and National Urban Land Development", 1981, p. 17. (Authorship unattributed; assumed to be the Ministry of Construction).

Basic Framework for Housing Development Planning



Agencies and Roles in the Shelter Delivery Process



III. Evolution of National Involvement in Urban Development Policy

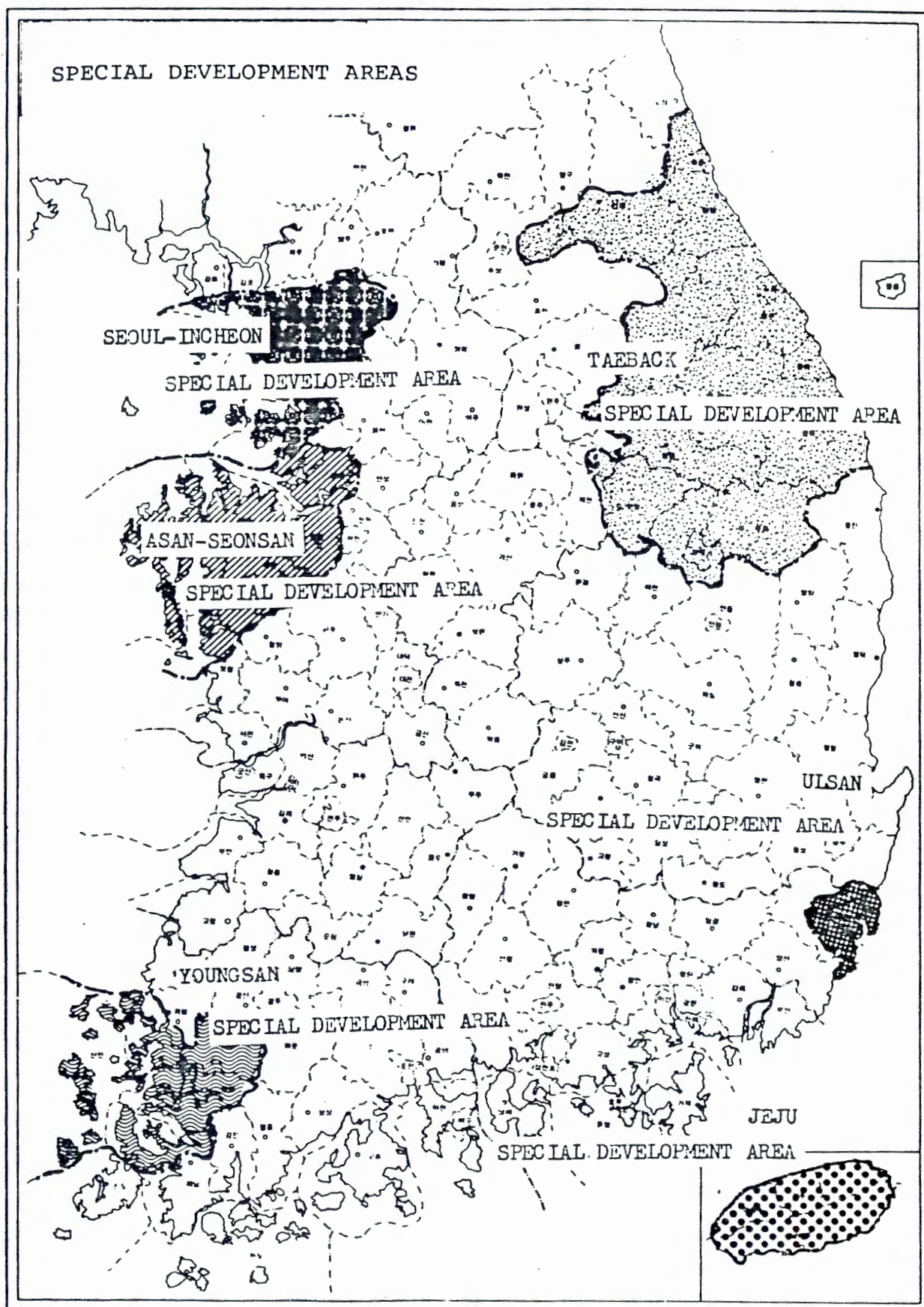
It is in the context of national land, or spatial, development policy that Korea's most recently articulated policies for development of secondary or intermediate size cities have been laid. The current approach is the logical outgrowth of a series of programs and measures directed toward redistributing population and economic activity within the country. Specifically, the central objective is to reduce the size and development problems of Seoul. The rationale for building up secondary or intermediate size cities as "growth poles" is that they become magnets for rural-urban migration which otherwise would be attracted to the capital.

Management of land development was legitimized as a proper object of governmental action from the beginning of Korea's existence as a modern republic. In the interest of both protection and efficient use of the country's scarce land resource, the draftsmen of Korea's constitution established in Articles 117 and 119 a broad scope for State intervention. Government's approach to this mandate has evolved since then, reflecting at each stage the country's chief development priorities.

Land policy concerns of the early years focussed on reform of the farm tenure system and redistribution of formerly Japanese-held estates among small farmers. With respect to urban development, concerns centered on post-war reconstruction of the cities and the urgency of accommodating masses of refugees from North Korea and other displaced people who needed to be resettled.

During the 1960s much of the legislation that had important implications for land development, and the physical planning actually undertaken by government, were oriented toward sectoral development programs. Government was concerned with construction of large-scale public infrastructure crucial to the growth of manufacturing industry -- the roads and railroads, the port expansion, dams and power plants and the acquisition and servicing of sites for the new factories themselves. Although dispersion of development resources throughout the country was an oft-repeated goal, it was not a significant policy factor in locational decisions. As industrialization progressed through successive phases of emphasis on light manufacturing and import substitution, then heavy industry oriented toward export markets, the major sectoral investments continued to favor the largest cities. Considerations of economic return on development investment dictated these locations where labor, economies of scale, interindustry linkages and some existing infrastructure were already in place.

Official interest in urban development and the shelter sector as elements of national development policy originated during this period as well. But here, as was the case with investments in other sectors, accommodating of industrial expansion and coping with its associated impacts on population growth commanded the first attention.



Source: National Land Development Planning in Korea, Korea Research Institute for Human Settlements, Seoul, July 1980, p. 16.

Until 1962 urban development in Korea was governed by thirty-year-old colonial ordinances which specified such things as street layouts. The City Planning Act of that year charged municipal governments with responsibility for preparing urban master plans. A new Building Act dating from about the same time and an updated land readjustment mechanism gave the municipalities tools for controlling land use and the burgeoning construction activity both in the cities and on the peri-urban fringes. Seoul's 1963 master plan was the first prepared under the new legislation. Others followed fairly quickly.

Urban policy on a national scale was inaugurated in 1963 also, with enactment of the Comprehensive National Land Development Act. This legislation called for a national land survey and long-range, comprehensive land use planning by central government. National urban development policy would thus be set forth in context of over all national land development policy. The Act envisioned a hierarchy of coordinated plans ranging in scale from national through provincial, county and specially-designated areas. These master plans would be coordinated with national sectoral planning also, which had only shortly before entered into the first five-year (1962-66) economic planning period. It took some time, however, before the planning work got under way, and it was with the special areas that government started, rather than with the larger scale planning efforts. Interestingly, the first special area designated was the national capital (Seoul-Incheon) region, in 1965. Ulsan was the second, with primary focus on development of the new heavy industrial complex there. Others similarly centered on major development projects: tourism and industry in Jeju, mineral and energy resources in the northeast Taebak area, and land reclamation-water resource development and fisheries promotion projects in Yeongsan and Asan-Seosan, two western coastal areas.

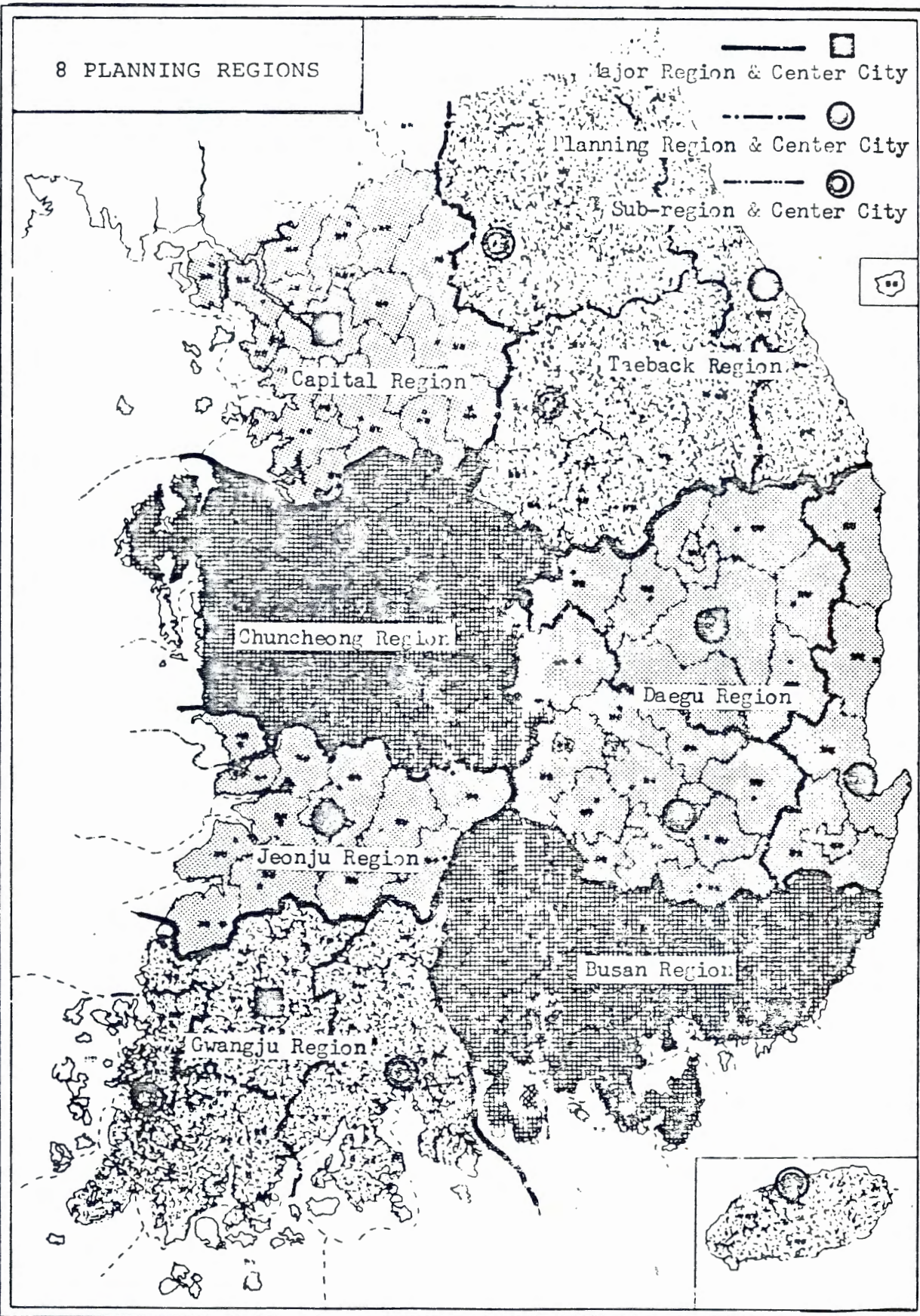
The special development area plans varied in areal coverage from 1,000 to 9,500 square kilometers. Most projected an implementation period of 30 years. Ulsan was the exception. Smallest in area, its implementation was to be completed within seven years of the official designation.

Most of these special development area plans have had rather limited implementation to date. The disappointing experience has been attributed to lack of program accountability, insufficient support from governmental agencies whose participation in project development and finance was required, and some unsound investment decisions.¹⁸

Korea's first Comprehensive National Development Plan was produced by the Ministry of Construction in 1971. Following on several years' effort in national land use and regional planning and a 1967 national plan for construction of major infrastructure (expressways, ports and

18. Soo Young Park, PhD. "Urban Growth and National Policy in Korea", Korea Research Institute for Human Settlements, Seoul. September 1981.

8 PLANNING REGIONS



water resources development), this new plan set forth general development guidelines for the country as a whole over the next ten years.

Its theme, "balanced distribution of population and economic activities within the country", addressed Government's growing concern over the effects of the major population shifts that had become so dramatically apparent. Balance seemed to be an answer to problems of coping with growth in the booming urban areas -- the congestion, the housing shortages and the high costs of expanding services -- and to relief of distressed conditions in the hinterland which had not been so economically favored.

Formulated along lines of thinking developed in the course of a United Nations-assisted regional planning project, the 1971 Comprehensive National Development Plan projected the picture of a future Korea comprised of eight largely homogeneous, self-sustaining regional economies. Leading cities of each region would be functionally linked with smaller communities and their peripheral rural areas. Well-developed links between the major cities would, in turn, be the basis of a network integrating the national economic system as a whole. First step toward achieving this scheme was dividing the country into planning regions. These were based on physical features, resources, assessments of development potential, existing industry and relationships between the large cities and the territories surrounding them. Development guidelines were presented for each region and priority projects for each, identified. Beyond conceptualizing the role of "regional" cities vis a vis their rural hinterlands and weighing these relationships in the delineation of planning regions, the Plan did not proceed very far in elaborating policy or strategies for urbanization in general.

None of the principal urban development recommendations seemed to flow from the plan's regional development scenario in the sense of prescribing where and how to promote urban development. Nor did they speak to interest in solving problems of the smaller and medium size cities per se. Rather, it was big-city urban development -- especially Seoul's -- that came into focus with the greatest clarity, and this, in the sense of suppressing or redirecting the urban growth. The specific urban policy measures presented in the 1971 plan included restrictions against additional development in Seoul, designation of greenbelts around the capital and other major urban areas to prevent further development on their fringes, programs for locating new large-scale industrial complexes away from Seoul along with the infrastructure and community facilities to support them, and proposals for building new towns in the most rapidly urbanizing regions to absorb activities and population relocated out of the densely developed centers.

In the intervening years, Government's implementation efforts have followed similar lines of emphasis. Numerous small town and village development projects have been undertaken under a nationwide program to upgrade rural living conditions, and there have been urban projects as part of a major regional development program in the one of the

economically stagnant parts of the country. Yet the measures which have had the greatest impact on shaping settlement patterns have been those directly related to industrial location programs for relief of over-concentration in the biggest cities.

The Community Development Program or "New Village Movement"
(Saemaul Undong)

Phenomenal success of Korea's economic planning efforts notwithstanding, it was clear by the end of the second five-year plan that the rural areas had not been sharing in the country's advancing prosperity. Income differentials between urban and rural households (50 per cent higher in the urban areas), low rural productivity and high seasonal unemployment combined with heightened economic aspirations and superb new transportation facilities providing access to the big cities, to keep the flow of rural migrants steady and strong.

The Saemaul Undong has been an effort, begun in 1971, to help redress the rural-urban "gap". There has been an ideological thrust to the program over and above the assistance it offers toward improving living conditions and income-earning opportunities in rural communities. It has been promoted as a social movement of sorts, seeking to instill a spirit of community collaboration and self-help in local betterment projects.

Initially the program offered individual farmers' households the materials for upgrading their kitchens, toilets and roofs (which were to be changed from thatch to tile). Government also provided materials such as cement and steel rods to communities as a whole, encouraging them to select, organize and implement projects according to their own priorities. These might be construction of small bridges giving access to a village, improving farm-to-market roads to a status capable of handling vehicular traffic, small-scale irrigation works, streambed stabilization, landscaping, construction of community baths, laundries or meeting places or setting up a community credit union. Once villages showed they could execute projects of this sort, next-stage projects were to focus on income-generating opportunities. The ultimate objectives were, of course, to increase productivity in the communities' primary economic pursuits (usually agricultural) and to provide supplementary off-season employment. Examples of these latter projects have been rural electrification, communal vegetable gardens, pig-farming, reforestation and land reclamation work, workshops or factories and cooperative production as well as marketing facilities.

At the village or small town level, the Saemaul Undong program components are planned and organized by a development committee. Community residents are responsible for implementation. Government provides, in addition to materials, technical and administrative assistance and supplementary financial support in the form of subsidies and loans.

At the national level the program is under a national council chaired by the Minister of Home Affairs and comprised of Vice Ministers

from most of the ministries, e.g. Economic Planning Board, Finance, Defense, Education, Agricultural and Fisheries, etc. A working level group of Directors General of the ministries involved meets monthly to follow the progress of the program and resolve such issues as arise.¹⁹ Most upgrading projects of environmental nature come under the purview of the Ministry of Home Affairs. Officials of its administrative subdivisions, i.e. provincial, city and county, town and township, are likely to be brought into the process as well.

There is no question that the program has raised aspirations in Korea's smallest communities. It is very difficult to say whether it has created incentive enough to hold people who otherwise would have migrated to the cities. If indeed, villagers were encouraged to remain in their rural pursuits, it would be difficult to separate the role of this program from the higher prices for agricultural products that became effective about the same time. Nonetheless, Saemaul Undong is generally regarded as quite successful. Some observers believe, however, that real gains in rural productivity will require larger scale efforts and involve more coordination beyond the individual communities themselves, i.e. on inter-village and intraregional levels. This is likely to be the direction taken in subsequent stages of the program.²⁰

The Gwangju Regional Project.

While MOHA pursued the goal of "balance" with small-project strategies for villages and small towns, MOC's approach addressed the issue of income disparity on a broader regional scale.

With financial assistance from UNDP, MOC began a new round of regional planning studies in 1974. Their initial work program included plans for the Seoul-Incheon, Busan and Gwangju Regions. Eventually this was reduced to preparing a plan for Gwangju alone. The objectives of the plan were to identify means of reducing out-migration, to narrow the gap between incomes in Gwangju and other regions, to upgrade urban infrastructure and services to nationally-set standards and to provide experience with new approaches to regional planning.

A year later, the World Bank made a "Secondary Cities Regional Project Loan." At that point, MOC created a Gwangju Regional Development Unit in Gwangju City so that there could be more local involvement in the planning process. When the Ministry opened several decentralized Construction Offices around the country, this special regional development unit was absorbed into the provincial regional branch office of the Ministry.

19. Professor Choon Hee Ho, Department of Public Administration, The City University of Seoul, monograph on "New Community Planning" for UNCHS/ESCAP Expert Group Meeting on Integration of Physical Planning with Economic and Social Planning in Asia and the Pacific. Bangkok, November 1980.

20. Professor Choon Hee Ho, Op. Cit., p. 23.

Some industrial estate developments in the Gwangju Region had predated the integrated regional planning project. They included a 4,400 hectare petrochemical estate where 12 factories were either in operation or under construction by 1979, and small local industrial estates in Gwangju and Mogpo Cities. Projects under the late 1970s integrated regional program²¹ included: improved road links between the region's main cities and high grade highways connecting Gwangju City with Seoul and Busan. Irrigation works, about 5,000 serviced residential plots in three cities, a municipal market and fishery harbor-market-cold storage facilities were also built.²² Feasibility studies on additional projects by Korean staff and World Bank consultants yielded more project recommendations for a second round of funding: industrial estates, water supply systems for one city and an island, an urban road, more serviced residential plots with expandable core houses for low income families, bridges and another fishery-support facility. Other components of the second-phase project were credit programs for fishermen and small industrial enterprises, technical assistance in the operation and maintenance of the new facilities, training and assistance in the planning of work for subsequent stages of implementation.

Over all responsibility for the Gwangju Regional Project was assigned to MOC's National Physical Planning Bureau, Regional Planning Division. They prepare plans in consultation with provincial and local authorities and other central government agencies whose specialties are involved. The Regional Construction Office of MOC, subject to final approval by the National Bureau, supervises consultants in the preparation of detailed designs and construction contractors who do the actual building. Once facilities are built they are turned over to various responsible agencies for operation and maintenance, e.g. municipalities in the case of industrial and housing estates, urban roads and water supply systems or fisheries cooperatives in the case of the market and storage facilities.

Encouraged by results of the continuing Gwangju effort and prospective additional World Bank financing, MOC selected the Jeonju Region for a second integrated regional development program along similar lines.

An important impact of these regional planning projects has been their influence on the national development planning process. Although the Comprehensive Land Development Plan has been considered as a sectoral plan within national planning framework, and incorporated therein accordingly, the Korea Planning Board did not recognize regional scale development planning. They have not developed or and maintained regional accounts statistics. Now, however, a representative of the Bureau of Statistics will be a part of the governing committee that reviews progress on the National Land Development Plan and regional development will be an official component of national planning.

21. Some funding for these projects came from the Asian Development Bank as well as from the World Bank.

22. The World Bank, Urban Projects Department, Korea Staff Appraisal Report, Second Gwangju Regional Project, July 1979.

Anti-Concentration Measures

While the rural community and regional upgrading programs worked toward providing incentives for potential migrants to stay where they were, Government took a variety of additional steps with the intention of reducing the concentration in Seoul and preventing similar "over-development" elsewhere.

Special "resident citizen" tax was levied in Seoul to discourage migrants from staying there. Substandard housing was banned. Regional quotas and ceilings were imposed on admissions to educational institutions in the capital and a special premium was added to Seoul school fees in order to limit growth of the city's student population.

Physical expansion of the Seoul metropolitan area (and other large cities as well) was constrained by designated greenbelts around their peripheries.²³ Within these zones development -- and even alteration of existing structures -- was firmly restricted.

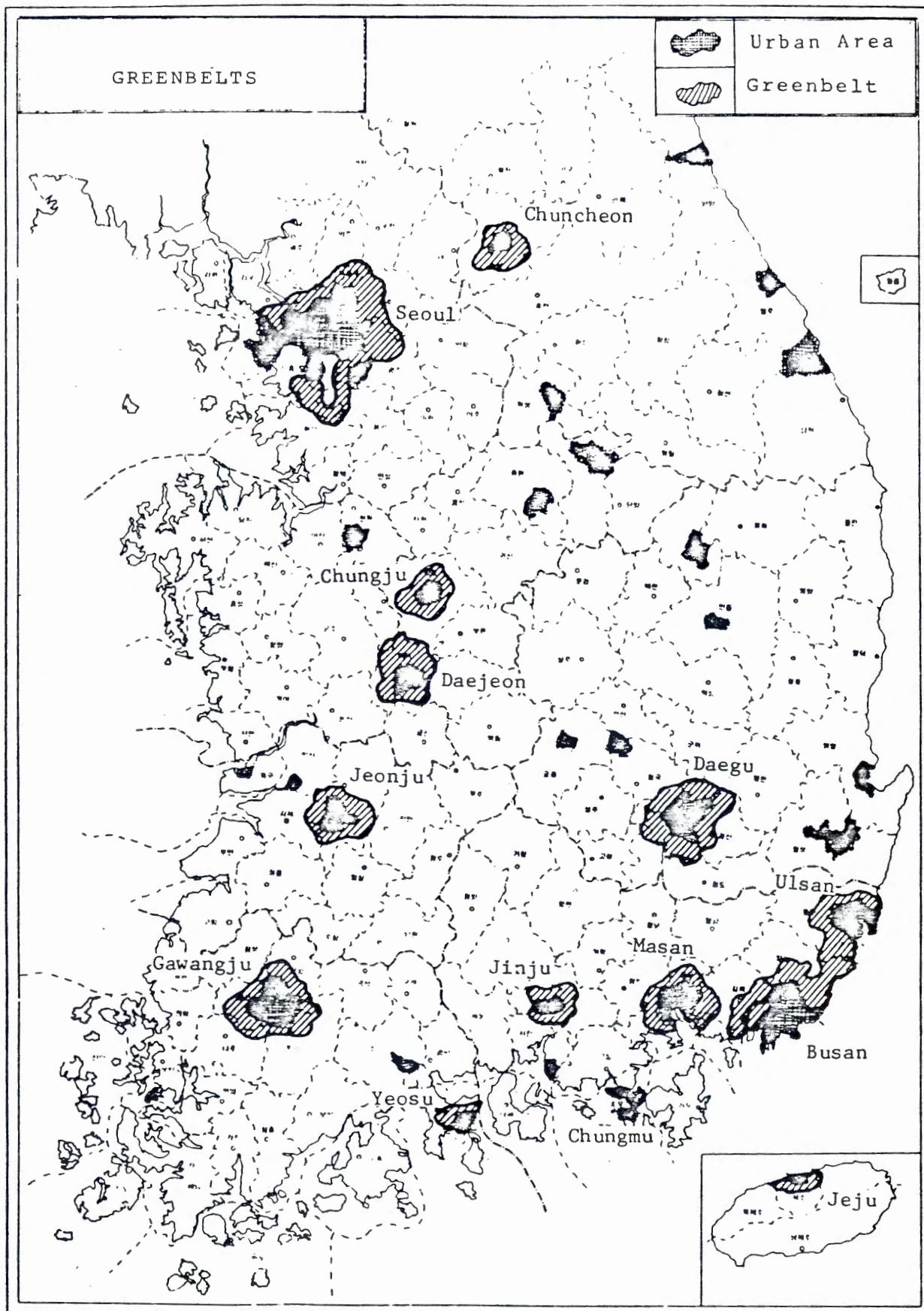
Industrial estates were established in many parts of the country. Differential property rates imposed penalties on Seoul industry.²⁴ Industries that located in specified estates elsewhere were offered tax relief. Other incentives to establishment in the decentralized industrial estates included the opportunity to purchase land (which would appreciate substantially in value) at low prices, services and infrastructure, and ease in acquiring building permits in contrast with severe obstacles to getting such permits for other sites.

By the late 1970s there were still other measures in effect. Under the Distribution of Industries Act, Government could designate "industrial relocation areas" in Seoul where industrial expansion and new development were strictly curbed and enterprises could even be compelled to leave. New satellite industrial towns -- Banweol and Seongnam -- outside of Seoul but within commuting distance, were built in context of new capital region and metropolitan area plans.

A special Ministry without Portfolio was created and charged by the president with developing recommendations for redistributing population out of the capital region. Their 1977 Basic Plan proposed that all measures then in effect for redistributing population and economic activity be continued. In addition they selected five cities (Daegu, Daejeon, Chongju, Gwangju and Masan) as growth poles where Government should actively steer new development. These places were chosen because they already offered considerable infrastructure and services, e.g.

23. The greenbelts were instituted under the revised City Planning Act of 1972. Seoul was the first application. Twelve others followed where development pressures appeared to be heavy.

24. Property tax in Seoul was three times the normal rate and acquisition tax on new industry was five times the usual levy for the first five years.



Source: Korea Research Institute for Human Settlements, National Land Development Planning in Korea, Seoul, July 1980, p. 35.

universities, general hospitals, water treatment and supply systems, sewerage, high quality roads and capacity to accommodate populations of half a million or more. All were at least 100 kilometers from Seoul and judged to be suitable locations for industry. These cities were to have priority for KNHC housing projects and, presumably, other investments as well.

At this stage no one can say whether this growth pole strategy has successfully contributed to redistribution of Korea's population. Certainly the many efforts of Government that preceded it have not reduced the size of Seoul.

It is quite clear, however, that in some respects Seoul's dominance has been reduced. Between 1968 and 1978 Seoul's share of the nation's nonmanufacturing employment dropped from over one-third to around one-fourth. Its share of new industrial construction dropped from 35 per cent in 1966 to about 2 per cent in 1978. The rate of population growth slowed as well.

The main beneficiaries of such "decentralization" as did occur seemed, however, to be counties and communities in the capital region, within commuting distance of Seoul, rather than the designated growth poles.

Outmigration from the poorer areas continued unabated. "Regional shares of every province except Kyunggi and Jeju declined consistently between 1960 and 1980, and between 1975 and 1980, the absolute numbers of people living in Gangweon, Chungcheongbuk and Chullanam -- all agriculturally based provinces -- actually declined."²⁵

Observers analyzing the impacts of national land development planning have commented that Government never quite followed through with decentralization policy that "had teeth in it". Investments in building up the growth poles were too limited to make these cities competitive with the capital. Facilities for industry were provided, to be sure, but community facilities, cultural activities, a wide variety of services at high standards, and other urban amenities such as parks and recreation facilities were not furnished as part of a locational incentive package. Nor were punitive measures applied in Seoul strong enough to outweigh the perceived and real advantages of being there. Some say the types of industry emphasized in the national economic development program demanded big-city or metropolitan region locations. Other problems cited are: conflicting objectives among government agencies, conflicting or competing decentralization strategies, insufficient authority or leadership to coordinate implementation of the physical plans with other sectoral investments, and absence of local participation in the planning process.

25. Park Soo Young, PhD., Op. Cit. p. 49.

Government planners had these factors in mind when they undertook the next round of national land development programming. The new national physical plans are still strongly focussed on decentralization objectives but this time there is a heightened emphasis on implementation.

The National Development Plan for the 1980s

The Ministry of Construction asked the Korea Research Institute for Human Settlements to prepare the new ten-year physical plan for the nation as an "action study for the 80s". This is a step beyond the 20-year indicative or "end-state" planning that has usually been done in Korea.

MOC has a 1981-2000 National Development Plan which sets forth general policies as a context for more detailed physical development programming. In effect, the long-term plan is the guide for MOC's construction program. Its major sections deal with over all population distribution targets, the basic directions of urban development and policies on urban growth, standards for urban communities, land use classification and controls, urban development financing and special subjects such as new cities and disaster relief planning.

KRIHS responded with a document -- now adopted by MOC and released to the public -- that outlines an implementation strategy. It features fourteen "regional cities" or "growth balance centers", that are an updated version of the "growth poles" of earlier plans. Other related development issues are considered as well, such as specific policies for the large metropolitan regions, standards for the secondary and intermediate size cities, physical development implications of growth at the scale envisioned, necessary changes in the system for administering and coordinating the investment program outlined and procedures for accomplishing urban expansion and control of land use.

In order that Government investment priorities be focussed, the selected cities are divided into two groups. A first-class or prime priority group consists of three: Daegu in the East, Gwangju in the Southwest and Daejon in the central part of the country. The other eleven cities, accorded second-level priority, are: Wonju, Kangnung, Chongju, Chonan, Chonju, Namwon, Mokpo, Suncheon, Andong, Chinju and Jeju.

These cities of intermediate size in the urban hierarchy have been analyzed individually to determine what physical, economic and social development investments would be required to boost their growth to the levels targeted. Projects were identified from their master plans according to the following investment priorities:

1. improvement of public facilities
2. extent to which a proposed project would expand employment opportunities or prevent emigration from the city

3. degree to which the proposed project investment would add to municipal revenue
4. contribution of the project to improved living environment
5. favorability of the calculated cost-benefit ratio
6. how many people and how wide a territory would be benefited

Cost estimates were made in each case and the city's revenue-generating capacity, examined, to determine what supplementary funding would be required.

Until now most implementation under the national development plans has been the responsibility of local government. Central government's role has been that of financing and directing special large infrastructure or sectoral projects (e.g. water, sewer, transportation, housing). Investment of the scale envisioned in this new ten-year action plan is clearly beyond the capability of the municipalities to finance with the level of resources currently available to them. The substantial numbers of projects, multiplicity of diverse locations and need for coordinating them in the field constitute a task that is beyond the present resources of central government to administer. Resolving this pair of issues is probably the biggest challenge the action plan poses to government just now.

Administration of the Intermediate Size Cities Development Program

The new ten-year national plan examines alternative approaches to the administration and financing of its implementation without committing itself definitively to one or another. One approach would centralize all urban development functions under a single national ministry (i.e. the Ministry of Construction inasmuch as it has managed most planning and construction to date). They could operate through their decentralized regional offices or through an Urban Development Corporation. This would be a joint stock corporation in which Government would be the majority shareholder. Like the KNHC and KLDC, it would not be subject to government control over its budget, but its manager would be answerable to the Minister of Construction for program development and execution. Its responsibilities would include planning (long-term and middle-range physical plans as well as financial and implementation programming), carrying out urban development investment programs, supervision of construction work, purchase and inspection of materials and provision of technical guidance to consultants and contractors.

The alternative would be consolidation of the present dual structure (i.e. MOC for planning and construction and MOHA for administration and management of facilities) under a provincial level construction bureau. This bureau would be accountable through the governor to the MOHA for development in areas lying between municipal boundaries and for matters involving relationships among cities, while local development offices of the MOC would be responsible for public works within the

individual cities. Short of the structural changes such an arrangement implies, the Plan indicates that some rationalization of the functions and operations under existing governmental structure is also possible. Under any circumstance the Plan report recognizes that a certain amount of overlap between the MOHA and MOC responsibilities is inevitable.

Under either of these arrangements the idea would be to have a single agency or organization accountable for properly coordinated scheduling as well as location of all new facilities to be installed in a given project area. This would avoid the situation, encountered in a number of instances so far, of large scale housing estates built but unsatisfactory for occupancy because they lacked the schools or health centers or shopping facilities that had been planned but were not yet built. Whichever ministry is assigned the role of chief facility-installer, MOHA or MOC, there remains the problem of acceptance by other ministries, e.g. health or education, of the transfer of their local construction budgets for execution outside their direct control.

The solution to this problem will be coordination of the intermediate size cities development program by the Korea Planning Board. Because the Deputy Premier is Minister of the KPB, this agency has significant authority to orchestrate investment activities and to order the priorities of various other ministries. A special coordinating committee, still to be set up, will report to the "Second Division for Investment" in the KPB. Its members will include representatives of the KPB, the KLDC, the Ministry of Construction, the National Statistical Office, the Ministry of Home Affairs' Director of Urban Planning, Chief of KRIHS and Chief of the Korea Development Institute as well as some university professors with expertise in regional economics and regional planning. KPB wants to decentralize its administrative function to local areas but they have not decided on how they are going to do it. One scheme under consideration is creating decentralized (local) branches offices of each ministry in the target cities.

Finance

KPB does not yet have a full roster of the projects for each city and their estimated costs. Developing these proposals in detail will be the cities' next task. Based on project ideas and general cost estimates in the National Ten-Year Plan, however, MOC puts the aggregated costs of the fourteen-city program on the order of 597 billion won for the first five years and 1,638 for the whole 1981-91 period.²⁶

Among the principal recommendations of the new ten-year plan is creation of a new financing mechanism at the national level. This would be an Urban Development Fund, functioning as a source of loans for the municipalities whose revenue base is too small to permit these major capital improvement investments. Moneys from the fund could be used for infrastructure (i.e. roads, water, sewer, medical and educational

26. About \$800 million and \$2.2 billion, respectively.

facilities) or for industrial development. The level of capitalization required for the urban development fund would depend on how much the cities need to accomplish their respective investment programs over and above the resources they can secure through normal municipal revenues or special benefit assessments. Financing for the fund would come from governmental appropriations, banking institution loans, private sources and/or foreign borrowing.

Whether the fund would be controlled by the Ministry of Home Affairs (in its capacity of overseer of municipal finance) or the Ministry of Construction (in its capacity of national general contractor) is still under discussion at the time of this writing. In the course of field interviews there were several indications that until these unresolved issues are settled, the "action plan for the 80s " will be regarded as the Ministry of Construction's plan, without controlling authority over other agencies, MOHA or the KLDC, for example.

Local Plans

Meanwhile local planning is undergoing a major change. Heretofore the cities have prepared classic 20-year end-state master plans. These plans set forth general guidance concerning the physical character and direction and standards for future growth of the community. They discuss land use patterns, zoning and greenbelts, community facilities, etc. Their most carefully elaborated elements are those which concern the major works construction programs of the MOC. Development of residential areas is treated in much more general fashion, by delineation of zones and establishment of standards to govern future growth, e.g. density and community facilities or services. In this respect they are quite similar to the general plans of many communities in the United States. Timing of implementation projects, budgeting and assignment of executing responsibilities to particular agencies tends not to be addressed in the plans.

Each municipality is required to update its comprehensive long-range plan each five years, incorporating population data and projections prepared by central government and new projects which MOC and various other ministries, e.g. health and education, have programmed during the interval since the previous plan.

Now there are new requirements that all fourteen targeted intermediate size cities undertake to update their comprehensive plans to cover the 1981-2001 period. In addition they must prepare both ten-year detailed action programs incorporating capital budgeting, and annual implementation plans.

Each of the ten-year plans is required to cover several different sectoral categories: population, land use, transportation, public facilities, economic base and employment, natural environment protection, housing needs and standards, parks and recreation, public health and hygiene, social welfare, revenue prospects, administration and project recommendations in context of a staged implementation program

according to the six criteria for priorities indicated above. These ten-year plans are to spell out in more detail, plans for specific residential, commercial, industrial districts as well as areas slated for other uses. As these are to be the basis for project programming, they are required to be updated every five years. The annual implementation plan is to be the capital budget for the coming year.

A brief review of Daejeon's newly updated comprehensive plan illustrates what will be involved.

This city is one of the 1977 "growth poles" and one of the three first-priority intermediate size cities under the new ten-year urban development program. Located in the west-central part of the country, it is a little over 160 km from Seoul (to the northwest), 260 km from Mogpo (the nearest port, to the southwest) and about 280 km from Busan (to the southeast). Daejeon is also the place which has been discussed for possible relocation of the capital. Planning for a new international airport has focussed on a site outside the immediate periphery of Daejeon to the northwest -- in the direction of Seoul; and two of the major transportation projects in the new ten-year national land development plan are a high-speed rail system linking Daejeon with Seoul and upgrading and dualizing the national highway connecting Daejeon with Busan.

Daejeon (including central city and the two principal satellite settlements at the periphery of the planning area) had a population of 660,000 in 1976, when the last plan was prepared. At that time, the plan provided for a projected population of 860,000-920,000 in 1986 and 1.1-1.3 million in 1996. The new comprehensive plan shows actual 1981 population to be about 850,000, and anticipates that 1.1 million will be reached by 1991 and 1.3 million by 1996. This is without any mention of impacts of a possible capital move.

The new plan, which with 193 pages is twice as long as its forerunner, is full of data and illustrations. Much of this material appears quite sophisticated and the land use maps reflect careful attention to land use data collection and monitoring. There is a general introductory section which discusses the scope of the plan and the basic policies it embodies. It also describes the city's physical setting, historical development, population and economic base. Alternative schemes for the physical form and direction of future growth are shown and the preferred arrangement, identified. The chapter concludes by laying out some parameters which set the scale of future development to be accommodated by the plan in its allocation of land for different uses and its prescriptions for new infrastructure.

A second section contains long-range plans for different sectors. Seven chapter headings cover: infrastructure, environmental protection, industrial development, social development, finance, urban administration and implementation. There is considerable detail on land use -- down to estimates of land requirements by major categories of land use, allocation of anticipated population among delineated zones and computation of the resultant density in each. Transportation questions are

also addressed in substantial detail. Projected volumes of travel demand for key transportation corridors include estimates of pedestrian movements as well as future numbers of vehicles expected to be in use in the city. Drawings are presented which show in general scheme, the street network, parking area development, bus terminal, railroad and the traffic circle at the central rail station. They plan does not, however, mention impacts of an international airport or a direct, high-speed electric rail link with Seoul. Nor are operation and maintenance of the public transportation system discussed.

A downtown development plan which includes discussion of the relationships between central city and outlying commercial centers, and a section on telephone, telegraph and electrification networks to serve the areas of future development complete the infrastructure portion of the plan.

Protection of the natural environment so far as this 20-year plan is concerned is a subject which encompasses residential construction (scale, standards and general location of future projects) and its support services (water supply and distribution, sewerage, solid waste, and parks and recreation area development). Anti-pollution and fuel conservation measures are also treated in this context.

Under the heading of industrial development are sections on commercial and industrial area development, plans for export promotion, tourism development and agricultural development. In respect to the latter it should be remembered that the delineated "city" planning area encompasses rural land lying outside the currently urbanized area but in the path of future urban growth. Rice fields occupy unimproved land, literally, right up to the doorsteps of the outlying factories around Daejeon and there is extensive cultivation of vegetables under plastic-covered, barrel-shaped hothouses.

The social development plan deals with facilities for public health and hygiene, social welfare services, education and cultural activities and disaster relief. Locations of programmed projects are mapped.

Subjects covered very broadly under the heading, "urban administration improvement plan" have to do with reorganization and improvement of municipal administration, upgrading of government personnel skills, expanding the urban area by the addition of new development zones (land readjustment project areas) and regional coordination or some form of areawide administration extending beyond the jurisdiction of the individual municipality. Specific proposals are not elaborated. The final chapter projects future revenues of Daejeon, indicating potential sources of financing for project development and potential levels of resources to be available from each over the 20-year planning period. Projects identified in the plan are then laid out by sector and phase and their costs, totalled. More than half the financing needed for Daejeon's development program will have to come from outside the city's conventional revenue resources.

Korea's largest cities have city planning commissions who will be expected to perform similar updating and expansion of their comprehensive plans, and prepare the new middle-range development programs and annual implementation programs. They will have to follow guidelines prepared and distributed by the Ministry of Construction, submit the work to the governors of their respective provinces and, after approval at the provincial level, forward the plans to the Ministry of Construction. KRIHS will perform technical review of these draft plans and then pass them on with their comments to the Central City Planning Commission for final approval and adoption.

Ministry officials expect that the cities will be able to complete their new 20-year and ten-year plans within a year. In most cases, this will be mainly an updating exercise involving consultation with each ministry about its five-year construction plans so that actually-scheduled projects can be indicated as such in the municipal plans. The annual implementation plans, however, are expected to be more complicated. The Ministry of Construction anticipates the process of preparing these to require several stages since these plans will be the determinants of how limited funds for the 14 target cities will be allocated, and the precise level of funding to be available is not yet known.

Manpower is another critical problem facing implementation of the over all planning scheme. The new regulations recommend that each local government establish a planning group composed of professionals such as economists, landscape architects, planners, engineers, etc. to advise the mayor on plan preparation and implementation.

Few of the cities have professional and technical planning staff to do the actual work of drafting their plans. However, Ministry of Construction officials consider it unlikely that many such personnel would be hired as staff by local government, mainly because of the high cost of their salaries. MOC anticipates that the bulk of the planning work will continue to be contracted out to university professors (who, in view of the circumstances, have been granted authorization to engage in part-time contract planning jobs) or specialists with consulting firms in the fields of engineering, architecture or planning. There are 50 such firms in Korea today, two-thirds of them located in Seoul and the others distributed around the country. The numbers of qualified Korean planners have increased within the past five years, since creation of a city planning faculty at Seoul National University and establishment of undergraduate training programs at five other universities plus two graduate degree programs. There are, in addition, foreign specialists resident in Korea whose services are available to local government.

The Ministry also expects to conduct special training seminars for local officials on how to execute the work called for in the new planning guidelines.

IV. Prospects and Issues

Korea's current urban policy seeks to establish a system which jointly serves the objectives of stimulating the development and managing the growth of intermediate size cities. Some of the mechanisms are already present. Others have yet to be put into place.

Prospects for the 14-city program will be very much influenced by the resolution of certain questions and issues that became apparent in the course of field work for this report.

A. Commitment of the Government is one of these. Skepticism about the will that lies behind the 14-city development program is expressed by those who observed that the last round of "growth pole" policy was not pursued in earnest. Reducing the size of Seoul seems not to have been a goal realistic enough to take seriously.

Full Government commitment seemed lacking even to the lesser objective of limiting further growth of the capital by distributing new investments among the growth poles. This would have enhanced the intermediate cities' positions relative to Seoul and Busan. On the one hand enough priority was not accorded the growth policy to outweigh other factors in locational decisions for new development. On the other hand there were insufficient incentives and sanctions to make the growth poles truly attractive, competitive sites for new investment...especially in view of concurrent efforts by government to channel new growth to places within commuting distance of Seoul and Busan.

Some agencies whose participation is critical to the new intermediate cities program are looking for a sign that the program has full backing of government at the highest levels -- and convincing evidence of intention to implement the program this time around -- before they will respect it as governing their own decisions.

It could make some difference if Government were to articulate the position that development of the intermediate size cities is a worthy goal in its own right -- rather than one defined in mainly negative terms, i.e. diminishing or limiting growth of the big cities, Seoul and Busan. At some point developing domestic markets will become an increasingly important element in the over all strategy for economic growth, and the existence of a network of well-developed urban concentrations could be recognized as a definite long range asset in that context.

B. Resolution of the crucial outstanding questions of financing for the program and administrative arrangements would certainly be among the first indicators of Government's intent to put its weight behind the intermediate cities program. Determination of the level of financing to be made available will be significant because it will control the scope of the program and possibly even the precise number or identity of the cities to be included. Control over the financial mechanism to be created will be another important aspect inasmuch as there may be some

rivalry among ministries for the power that goes along with control of the program funding. This issue is, of course, linked with that of the administrative arrangements yet to be settled definitively.

Until these matters are resolved the planning that is done may have little meaning beyond the symbols drawn on maps.

C. The merging of economic development and physical planning is one of the most interesting and challenging facets of the Korean case.

Up to now physical planning has been relegated a role of supporting or accommodating growth. It has been regarded as a means of preparing the way for industrial development (i.e. by provision of industrial estates and major infrastructure) or coping with the impacts of development (i.e. by providing housing and residential support infrastructure.)

New themes are being struck now. A dramatically different one is that development of the intermediate city in the full range of its civic, cultural and physical functions is itself a significant factor in attracting new investment there. The housing and community facilities and services, heretofore regarded as nice luxuries which could follow industrialization and economic growth when communities were able to afford them, are now seen by at least some theorists and policy-makers as preconditions or incentives for achieving the growth in the first place.

To be sure, economic planners speak of employing tax incentives and credit controls as means of directing the geographic distribution of new industrial investment. This geographical element will be something new for the economic planners whose principal focus has been on sectoral development. Now they will be challenged to think not only of which industries to emphasize and how to build up those respective sectors, but also of how to fit these investments into strategies for building up individual local (and regional) economies. They will be working at a different scale and facing entirely new issues.

At the same time the current five-year development plan points to some slowing in the over all rate of growth in the national economy, and the need for considerable change in the government's general strategy for stimulating further high rates of development. In the coming phases of economic programming, the plan calls for much more development of the economic interstices between the major sectors that have been expanded to date. This will mean much greater dependence on expansion in the private sector and mixed enterprise and much wider latitude for decision-making by the marketplace. The very tight controls over credit during the past, for example, are seen as having been excessive to the point of causing serious inefficiencies.

In one sense a new emphasis on geographical dispersion of economic activity is quite consistent with a new emphasis on diversification of enterprise and diffusion of decision-making. In another, there is a real question of whether Government's powerful intervention in so many aspects of enterprise development was not a key to the success of such

deconcentration efforts as we have witnessed in the last ten years; and the corollary question of the extent to which Government will truly be able to steer new investment once it has relinquished some authority over decisions in favor of the marketplace. The situation in prospect suggests that the program for intermediate cities will have to rely much more on strategies that make them appealing industrial and commercial locations in market terms and less on Governmental leverage through credit controls and other incentives and sanctions. This will require more than simply procedural training for planners and administrators of the local development programs. They will need to be imbued with large dose of entrepreneurial spirit and they will need to be permitted scope for imagination and innovation.

If economic development strategies are no longer to be so closely focussed and centrally controlled as they have been in the past, if new investments are to be spread among geographically diverse locations, and if growth, in general, will be occurring at a somewhat slower pace, the new intermediate city program should probably not be expected to show dramatic, visible results within a very short time. The ability of local officials and business people to recognize, and respond energetically to, opportunities as they arise may very well make the critical difference in how well the intermediate cities program succeeds.

D. There is irony in the decentralization scheme that adds to centralized power. Although the 14-city program does place the massive burden of planning at the local level, it also expands by geometric proportions central government's work of review and clearance of all the new documents and projects and budgets. As government has sought to devise ever-more effective tools for shaping urban development, it has also increased control over that development at the national level.

The decisions which Government must eventually make on the form and procedures for decentralized administration of the intermediate city program will be very important determinants of the program's success. If all decisions continue to be made in Seoul, the expanding functions in the rest of the country will only increase the need for more representation, i.e. more agents to conduct the business of processing decisions, in Seoul. The cities could find themselves in the situation of many a decentralized business enterprise, i.e. having to maintain an office in the capital in order to keep track of necessary transactions with agencies of central government. If local branches of central governmental agencies are established but Seoul retains the bulk of decision-making authority, channels of communications could become so clogged as to impede the program's execution. It will be important not to stifle the local initiative that is needed to make the decentralization program work truly successfully.

Table 14. Measurement Unit and Cost per Unit for Calculating "Needs" of Non-Metropolitan Cities for Shared Tax Purposes

Type of Expense	Unit of Counting	Cost per Unit*
1. Council Expenses	Number of Councilors	32,959 won per councilor
2. Election Expenses	Number of Election Districts	40,928 won per district
	Number of Voting Districts	14,230 won per district
3. Administrative Expenses		
- Salary	Number of Employees	Grade 1-B-4 per employee
- Office	Number of Employees	84,051 won per employee
4. Expense for Roads		
- Paving	Length of Road	308 won per meter
- Gravel	Length of Road	27 won per meter
5. Expense for Bridge	Length of Bridge	1650 won per meter
6. Expense for River Control	Local Length of Large-Scale River	40 won per meter
	Local Length of Small-Scale River	25 won per meter
7. Expense for City Planning	Population	137 won per person
8. Expense for Sewerage	Population	40 won per person
9. Other Civil Engineering Expense	Population	38 won per person
10. Farming	Area of Cultivated Land	243 won per jongbo (2.4 acres)
11. Farmland Land Improvement	Area of Cultivated Land	130 won per jongbo
12. Promotion of Farming Technique	Number of Farming Households	209 won per household
13. Forestry	Area of Forestry	141 won per jongbo
14. Stockbreeding	Number of Oxen, Horses, Pigs	36 won per head
15. Commerce, Industry	Number of Traders, Industrialists	151 won per person

Type of Expense	Unit of Counting	Cost per Unit*
16. Marine Industry	Number of Persons En- gaged in Fishing	69 won per person
17. Public Health	Population	65 won per person
18. Social Service	Population	66 won per person
19. Tax Collection	Basic Financial Revenue	7 won per person
20. Property		
-Reinforced iron concrete	Building Space	278 won per square meter
-Tile roof, stone structure	Building Space	300 won per square meter
-Wooden structure	Building Space	152 won per square meter
21. Training	Number of Employees	3,384 won per employee
22. Public Information	Population	20 won per person
23. Anti-Communist Education	Population	8 won per person
24. Enlightenment	Population	8 won per person
25. Statistics	Population	6 won per person
26. Pension	Salary Requirement for Employees	23 won per 1000 won
27. Administrative Ex- penses for Ri and Dong		
-Salary	Number of Ri and Dong Chiefs and Clerks	Grade 5-A-1 per employee
-Office	Number of Ri and Dong Chiefs and Clerks	84,051 won per person
28. Tourism Development	Population	5 won per person
29. Cleaning	Population	17 won per person
30. Encouragement of Savings	Population	3 won per person

* These unit costs, which are based on 1967 prices, are adjusted for price changes in the annual budgetary process.

Source: Ministry of Home Affairs, The Local Finance Adjustment System of Korea, 1973 (Seoul, MOHA, n.d.), pp. 51-63.



III. The Case of Tunisia

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I. A General Framework for the Discussion of Tunisia's Approach

To understand how Tunisia approaches planning and development for secondary cities, it is useful to begin with some salient facts about the country and its governance. Tunisia is relatively small in population (6,000,000) compared with some urbanizing nations such as Thailand, Korea, and Brazil with as many people in their primate cities as in all of Tunisia. Ethnically and linguistically it is relatively homogeneous (Arabic-speaking Muslims of predominantly Berber stock). From an internal political standpoint one major party (Destour) has dominated since independence in 1956. One major political figure, Habib Bourguiba, has led the nation and imbued its evolution with his personality and ideas.

Tunisia is an internally coherent and, despite some opposition on economic matters, unified nation. It is also relatively prosperous. The World Bank classifies Tunisia as a "middle income" country, with a Gross National Product in 1978 of \$950 per capita.

Tunisia is also a rapidly urbanizing country, with a primate center. In 1980, 52 per cent of Tunisia's population was in urban areas, compared with 36 per cent in 1960. Tunis in 1980 had a population of over 1,000,000, about 17 per cent of the country's total and 31 per cent of the urban figure.

Despite the dominance of Tunis, the country has an emerging network of secondary cities, several of which have viable economies and are significant contributors to Tunisia's economic growth. In 1978, Tunisia had a total of 20 cities with populations over 20,000. Of these, Sousse-Monastir, Bizerte, Sfax, and Gabes, all along the coast, and Kairouan in the interior are the most important and the largest. All are over 50,000 in population. Unemployment and underemployment are problems in the cities, especially the many smaller centers which are growing in population due to migration from their rural hinterlands.

While Tunisia has a mixed economy, central government plays a significant role in the economic system and dominates the internal administrative structure. As one commentary puts it:

There is no economic sector where the state does not intervene either directly or indirectly. One of the goals of the government is to reduce income disparities and make a more equitable division of the economic pie. It thus acts as a lawmaker, planner, investor, manager, and owner. As the source of regulatory legislation and as the author of comprehensive planning for development, the state is supreme. Its role as investor, manager, and owner varies widely between industries, ranging from sole owner to a partnership arrangement with private foreign or domestic owners. For enterprises that are wholly private and deemed to be important to

the development of the economy, the state offers direct investment services through public lending institutions.¹

Although central government control and execution of major development responsibilities is a basic feature of Tunisia, the state is embarked on a two-pronged decentralization effort. One thrust is increasing regionalization of parastatal agencies who create the physical facilities to support human settlement and economic growth. The second is an increasing reliance on elected municipal administrations to participate in the planning and financing of urban infrastructure and services. Both attempts to bring governmental decision-making closer to the people are taking place gradually, almost as if authorities are trying to find the appropriate formula to establish "just enough" localism while a pre-eminence of strong centralism is maintained.

The state is performing a balancing act. On the one hand, it recognizes that national objectives to reduce urban and regional disparities can be achieved only with greater local involvement and more expeditious on-site coordination of decision-making. On the other, it has no intention of relinquishing centralized planning, budgeting, and control. This process is in its very early stages, and its evolution should be of considerable interest to other developing countries with a similar commitment to decentralization and similar objectives of more equitable distribution of economic growth.

Two other matters merit comment in setting the stage for a discussion of Tunisia's approach to secondary cities: technical competence and international agency interest.

A. Technical Competence

Public agency officials and technical staff by and large demonstrate a high level of skill in their various fields. The staff of central government ministries and parastatal organizations tend to be well trained and are quite able to perform. Many in leadership positions dealing with urban development have strong, well-considered ideas. This extends to the embryonic regional offices of parastatal agencies and to the municipal staffs of the larger cities. Serious problems exist, however, and are recognized regarding the lack of trained personnel in the smaller urban centers which the government is targeting for attention in the forthcoming sixth five year plan.

The issue, as articulated by the Ministry of Interior is that municipal staffs lack ability to conceive, plan, and execute feasible projects. Municipal needs are too often presented as "wish lists" of unrealistic requirements. Too many of these projects can neither be funded nor effectively executed.

1. Nelson, Harold D., Ed., Tunisia, A Country Study, American University, Washington, D. C., 1979, p. 122.

Thus the need for training and for technical assistance in the smaller municipalities have been noted, and considerable efforts will be made by both the central government and international agencies to fill the gap during the 1982-87 plan period.

B. International Agency Interest

For some time Tunisia has enjoyed a favored position in the activities of the World Bank, USAID, and some of the bilateral European assistance programs. Projects dealing with physical planning, housing, and other aspects of urban development have been undertaken for many years. During the 1960s and 1970s, for example, numerous Peace Corps volunteers worked in Tunisia and contributed to planning for Tunis, Kairouan and other cities. The World Bank's technical support and investments have helped to make tourism the country's principal source of foreign exchange and have supported the growth of Sousse-Monastir as a major secondary center. Both the Bank and USAID have undertaken major programs in housing, first in Tunis and now broadened to both Tunis and secondary cities. The Tunis primate center has been a testing ground for international agency activity in the shelter field -- as well as for the central government's own efforts. Now, as concern for reducing economic and social disparities deepens, both central government and international agencies are attempting to adapt and apply some of the lessons learned to communities elsewhere.

Tunisia has a clear and longstanding policy commitment to physical planning -- and implementation of the plans -- for its cities. To some degree that commitment stems from President Bourguiba's own personal dedication to shelter for his people, which has been reflected in his nation's development priorities. As one cabinet minister put it recently,

If Tunisia today affords the spectacle of a vast construction yard, with urban facilities and cities being built everywhere, it is because Bourguiba has understood from the very beginning that a man badly housed is incapable of producing serious work. He has set, from the dawn of independence, ambitious objectives for government in this domaine. Efforts to produce decent shelter have become a major Tunisian preoccupation.²

In many developing countries with strong leadership, that leadership's own personal concerns are translated into program priorities. In that sense, Tunisia's "preoccupation" with the physical aspects of human settlement sets it apart from some other countries whose principal figures have had other compelling interests. Interestingly enough, Bourguiba has frequently cited Ataturk's Turkish revolution of 50 years ago as an example for Tunisia to emulate -- a national revival which was

2. Mohamed Saya, Minister of Equipment and Housing, in "Panorama Immobilier", September-October, 1980, p. 5.

the first in the 20th century to utilize city-building and decentralized urban development as major tools of economic and social policy.³

All of these factors of context -- from the centralized structure, to its relatively prosperous economy, to the personal interest of its leader -- come together to explain Tunisia's approach to planning and development of secondary cities. That approach may be briefly characterized as follows:

C. Issues of Urbanization (including those of secondary city development)

These have for some time been recognized as an appropriate focus for public policy.

D. Planning and Development Institutions

Tunisia has created a planning/development structure of powerful central government agencies coupled with limited municipal responsibilities designed to organize and regulate development at the municipal level. Objectives are to expand these municipal capabilities in planning, project execution, and finance. Technical assistance and training -- by both national government and international agencies -- to permit municipal government to function more effectively are priority matters.

E. Physical Planning as a Precursor to Development

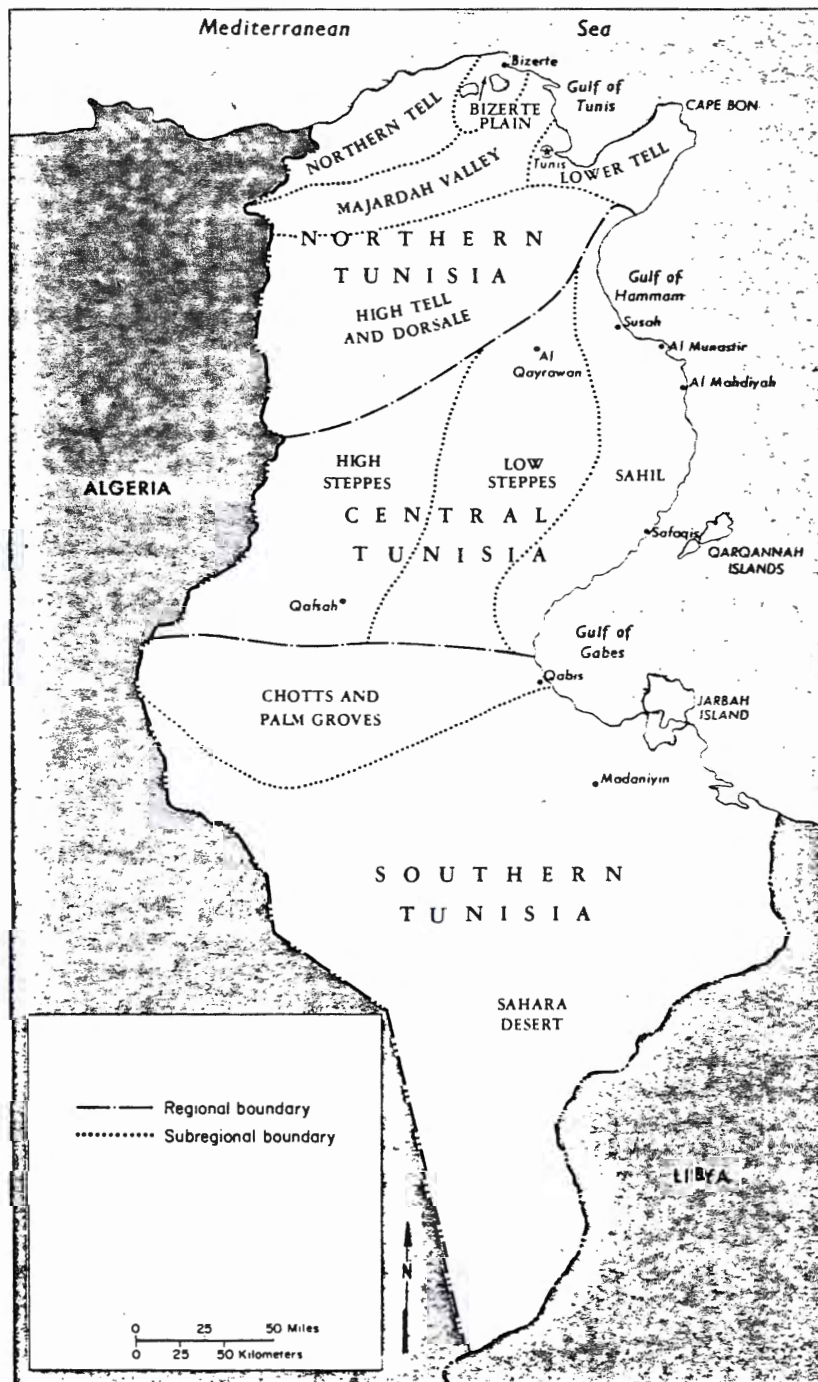
In the secondary cities the planning instruments themselves deal primarily with land use, utilities siting, and zoning. They do not include attention to such related subjects as economic potential, project costing and capital budgeting, public finance, upgrading and its socioeconomic requirements, staging, etc. These are the province of others, and the degree to which the elaboration and coordination of project development fits with physical plans varies from community to community. But the planning instruments themselves are sufficiently flexible to provide guidance for project development, and they are adaptable to changing circumstances.

F. Land Issues Addressed Squarely

In the Tunisian system land is considered a critical link between planning and implementation, and instrumentalities have been established to ensure that availability of urban land -- its cost, acquisition, assembly and development -- presents no bottleneck to urban expansion.

Tunisia has serious issues of regional and urban imbalance. The scale of development to meet social needs -- particularly jobs and

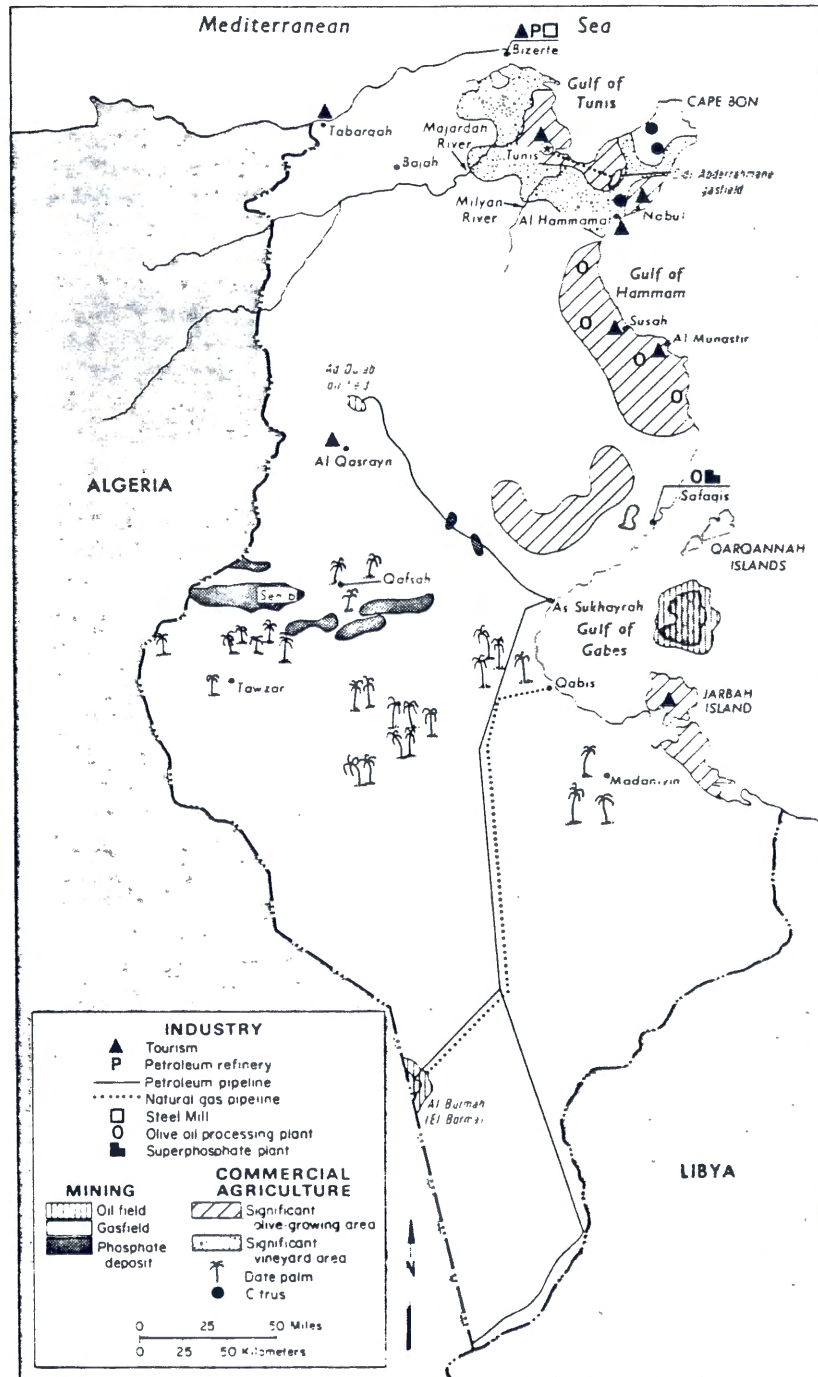
3. See Rivkin, M.D. Area Development for National Growth, the Turkish Precedent, Praeger, N.Y., 1965.



Geographical Regions and Subregions

Source: Nelson, H., Ed., *Tunisia, A Country Study*, American University, Washington, 1979, p 63

The Economy



Economic Activity, 1978

Source: Nelson, op cit, p 119

shelter for the urban poor -- has fallen short of the needs. In this sense Tunisia continues to be a developing country. Coordination of urban development presents serious issues the further away from Tunis and the decision-making center that it must occur.

Despite these problems the observer can conclude that, in Tunisia, a framework for efforts to improve secondary cities is in place. The very basic issues of secondary city growth, still to be addressed in many countries, have been joined in Tunisia. During the forthcoming sixth five-year plan period, the system will be called upon to perform at a greater scale and a higher level of efficiency.

A major objective of that plan will be to reduce markedly existing regional economic disparities. Whether it can do so within the fiscal and human resources available will be a principal question.

II. Some Physical-Economic Description

Tunisia's geographic regions are shown on the accompanying map. The following excerpts from various country studies are a capsule description of its physical, social, and economic circumstances.

Tunisia has an area of approximately 164,000 square kilometers and a coastline of about 1,600 kilometers indented by the gulfs of Tunis, Al Hammamat, and Gabes. It has six major and nearly a dozen minor seaports...The Atlas mountain system, which begins in southwestern Morocco, terminates in northeastern Tunisia. Most of Northern Tunisia is mountainous, but elevations average less than 300 meters and rarely exceed 1,000 meters...Tunisia can be divided into three major geographic regions, determined in part by topography and quality of the soils and in particular by the incidence of rainfall, which decreases progressively from north to south...⁴

The ethnically homogeneous population is almost exclusively of Arab-Berber stock, Arabic in speech, and Sunni Muslim in religion. Most members of the former French community departed, voluntarily or otherwise, after Tunisia gained independence in 1956, although French is still an important second language and small French, Italian, and Maltese minorities remain.

In agriculture, wheat, olive oil, wine, esparto grass, and fruits are the main products. There is some mining of phosphates, iron ore, lead, and zinc, while petroleum was discovered in 1964. Industry, though limited, is expanding. Tunisia boasts the first steel mill in northwest Africa, and chemical and paper industries are being developed. Tourism, an important and growing industry, is the country's most important source of foreign exchange earnings...Unemployment remains high...Recent Tunisian development

4. Nelson, Op Cit, p. 62.

A SUMMARY OF POPULATION INFORMATION
FOR THE GOUVERNORATS
AND THE
20 LARGEST CITIES

Gouvernorat	Population 1975	Percentage Urban		City	Population 1975	Projected Population 1986
		1960	1975			
District of						
Tunis	925,000	92	94	1. Tunis	925,000	1,310,000
Sfax	474,879	58	56	2. Sfax	174,900	247,300
					(The metropolitan area had a population of 257,000 in 1975.)	
Sousse	254,601	67	71	3. Sousse	80,500	113,800
Mednine	292,970	14	23	4. Jerba	74,600	105,500
Bizerte	343,708	47	53	5. Bizerte	68,300	96,600
Kairouan	338,477	21	22	6. Kairouan	56,400	79,700
Gafsa	237,844	53	57	7. Gafsa	45,300	65,600
Bizerte	See above			8. Menzel Bourguiba	43,900	63,600
Gabes	255,717	35	37	9. Gabes	43,100	62,400
Beja	238,770	23	28	10. Beja	41,000	59,400
Sousse	See above			11. M'Saken	33,200	49,000
Monastir	223,150	72	77	12. Monastir	33,100	38,900
Nabeul	368,114	45	48	13. Nabeul	32,300	47,700
Le Kef	233,515	21	23	14. Le Kef	30,700	45,300
Mahdia	218,217	26	35	15. Mahdia	27,200	40,100
Monastir	See above			16. Mornine	26,000	38,500
Kasserine	238,499	16	21	17. Kasserine	25,100	37,000
Sousse	See above			18. Kalaa Kebira	23,200	34,300
Sfax	See above			19. Sakiet Ez Zit	22,300	32,900
Jendouba	288,989	12	15	20. Jendouba	20,900	30,800

Source: USAID, "Tunisia Shelter Sector Assessment", 1979, p 12

efforts have lost their radical socialist tone, and the country is actively seeking foreign investment.⁵

Most industrial and tourism growth has been along the coast. Combined with productive olive and fruit-producing agricultural land in the littoral, this results in a relatively prosperous coastal region and a relatively poor interior. Despite dominance of Tunis, this relative prosperity is not confined to the Northeast of the coast, but extends along the primary road and rail transportation well down the length of the Mediterranean shoreline, including several secondary cities. Major development efforts during the 1960s and 1970s focused on building up the infrastructure to support economic growth and urban settlement in this region which has the country's major exploitable resources.

The following paragraphs from USAID's 1979 Shelter Sector Report on Tunisia along with the accompanying table and map describe the present pattern of urban settlement.

Today's settlement patterns in Tunisia feature a heavy concentration of large urban clusters along the coast. The Tunisian economy's most significant industries are to be found in the cities, as is the case in Tunis, Bizerte, Sfax, Gabes and Sousse. To a large extent, inland areas derive their income primarily from farming. With the exception of a few large industrial operations such as the Kasserine paper mill, the Thala cement plant and the Gafsa mines, the majority of the population is dependent on agricultural activities. It is precisely this region that supplied migratory flows to the cities which, in a matter of a few years, aggravated the population concentration problems on the coast and exacerbated further the economic imbalance between the various regions of Tunisia.....

(the foregoing table lists) the 20 major population centers (as determined by the 1975 census), followed by a 1986 population projection developed by the National Statistics Institute. In addition to city population figures, statistics are supplied for gouvernorats, and percentages of gouvernorat population classified as urban are reported...the locations and relative sizes of the principal communities (are shown in the accompanying figure).⁶

One particular infrastructure effort merits mention because of its direct effect on growth of secondary cities and the spread of economic activity away from Tunis. That is the construction of international airports at Monastir and on the Island of Jerba. The airports, combined with the marketing activities of Tunisia's tourist industry, have permitted direct flights between Europe and Tunisia without going through Tunis. Large numbers of hotels and recreational attractions

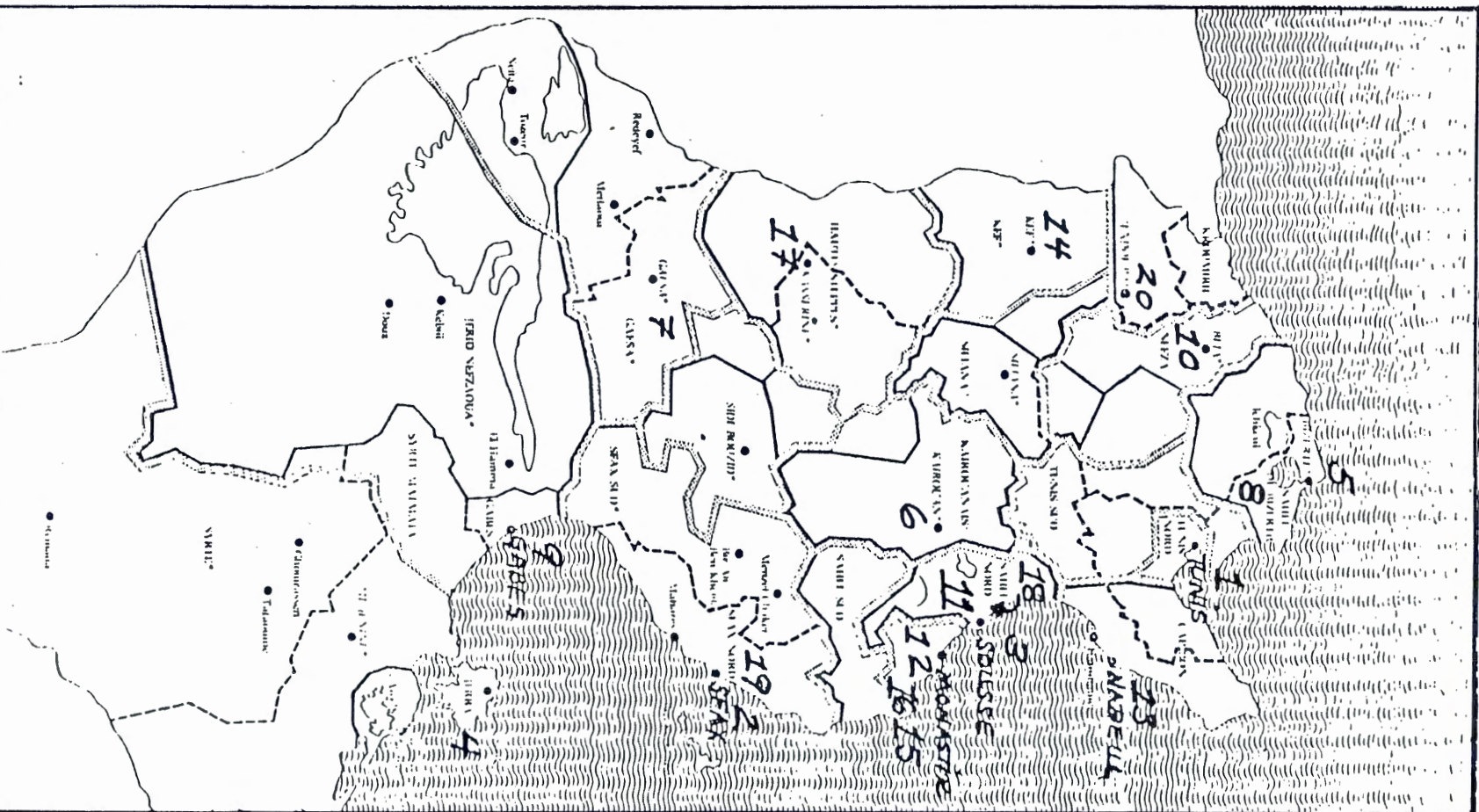
5. Country Study, author unknown, p. 453.

6. USAID, Tunisia Shelter Sector Assessment, 1979, p. 8.

have been constructed in the Sousse-Monastir area and on Jerba, and both prosper from package tours on an almost year-round basis because of favorable climate. Their growth as the third and fourth major urban areas was directly expedited by the physical investments which are now available to support other diverse economic activities as well.

The Ministry of Planning has classified areas of the country according to five levels of relative prosperity. Generally the gradation moves from the coast (with the highest level) to the western and southern borders (as the lowest). Urban areas, regardless of location, are more prosperous than rural. The principal coastal cities of Sousse-Monastir and Sfax are designated in the same prosperity category as Tunis -- providing some indication of the extent to which economic development has already been diffused beyond the primate center.

The degree of urban deconcentration now occurring may be noted in figures from the World Bank's 1980 World Development Report. These indicate that Tunis' share of national urban population fell from 40 per cent in 1960 to 31 per cent in 1980. The primate center continues to grow, but some other centers are expanding in economic activity and population as well.



Position and Size Rank of Cities

- Limites des subdivisions
- Limites des regions
- Villes des subdivisions
- Villes des regions
- Villes des subdivisions

HIERARCHIE DES VILLES LES PLUS IMPORTANTES

III. The Structure of Governance

Tunisia is a unitary state; all authority flows from the central (national) government, and lower governmental units have no inherent or residual authority of their own. Constitutional provisions covering subnational government are limited to the statement that "municipal and regional Councils conduct the local affairs, under the conditions foreseen by law." Subsequent legislation has established a well-organized system of regional and local administration that stresses the interdependence of government and party.⁷

A. Central Government

Within this centralized system, the national Ministry of Interior has sole responsibility for local governance and finance. Other national ministries and related parastatal corporations, direct the planning and regulation of urban growth along with the design and execution of primary urban infrastructure, i.e. roads, water supply and systems, sewage distribution and treatment, and electric power. By and large these agencies also maintain the systems.

In addition, three parastatal agencies assemble and develop urban land for housing, allied commercial and community services, and for industries. Each of these is embarked on a process of regional decentralization. The three (Agence Fonciere d'Habitation, Agence Fonciere d'Industrie, and Societe Nationale d'Immobilier de Tunisie) are discussed at length below because of their critical roles in secondary city development.

Tunisia is divided into 18 gouvernorats or provinces supervised by the Ministry of Interior, whose chief executive officer (governor) is appointed by the President. Governors are also regional directors of the party and a members of the party's national central committee, symbolizing the linkage between political and administrative affairs. Budgets of the gouvernorats are funded and approved by the Ministry of Interior (MOI). Governors exercise primary supervision over municipal affairs in their respective provinces.

In terms of urban development, the principal national institutions are:

1. Physical Planning

The Bureau of Planning (Amenagement du Territoire) of the Ministry of Equipment is responsible for all urban land use planning. In addition the Ministry supervises land use regulation (zoning) and

7. Nelson, Op Cit, p. 181.

building permit issuance, provides research in urban matters, and constructs government buildings and roads throughout the country.

2. Water Supply and Distribution

SONEDE (Societe Nationale de Exploitation et de Distribution des Eaux) is a parastatal under the Ministry of Agriculture. It constructs, operates, and maintains all water systems in Tunisia.

3. Sewage

ONAS (Office National d'Assainissement) is responsible for design, construction, operation, and maintenance of all sewage and drainage networks in municipalities. It reports to the Ministry of Equipment (MOE).

4. Electric Power

STEG (Societe Tunisienne d'Electricite et de Gaz) is under the Ministry of Industry and is the national electric power agency.

5. Housing, Services, and Urban Land

Two institutions, now associated with the new Ministry of Housing, have special functions in this field. SNIT is the principal builder of publicly assisted shelter. In 1980 SNIT was directly responsible for building 22,000 units, or about half the national housing production. The Agence Fonciere d'Habitation (AFH) has a broader shelter and land development role, extending to the middle- and upper-income groups. AFH works with SNIT, but unlike SNIT, its responsibilities are to assemble and develop sites only -- leaving actual construction to be undertaken by private or public purchasers of the finished sites.

6. Industry

The Agence Fonciere d'Industrie (AFI) is the principal assembler and developer of industrial land. It is responsible to the the Ministry of National Economy.

7. Other Public Services

Solid waste collection and disposal as well as local (municipal) public finance and technical assistance in administrative fields are supervised and funded by the Ministry of Interior. Its Direction des Collectivites Publiques Locales (DCPL) will expand activities as the government emphasizes local municipal administrative and fiscal responsibility.

While other ministries and agencies also play roles in urban development (e.g. the tourism land agency, AFT) the foregoing represent the primary "movers" in urban affairs.

All capital expenditures of these agencies are coordinated within the framework of successive five year plans by the Ministry of Planning.

A recent appraisal report by the World Bank characterized this system as follows:

The division of responsibilities...has often led to some confusion in the design and implementation of urban development schemes. The Government has very cautiously embarked on a process of decentralization to delegate more initiative to local authorities. Important steps in this direction have been taken or are under consideration...first, the creation in 1972 of the Tunis District, and second, the creation in 1976 of five 'economic regions', each comprising three to four governorates grouped according to their socioeconomic characteristics. Also the (DCPL) is in the process of designing special training programs for local and municipal staff to improve the planning and execution capacities of governorates and communes, respectively. The delegation of responsibilities and allocation of resources to the above 'regions' is still very limited but is expected to grow....⁸

B. The Role of Municipal Government

In Tunisia, central government performs many functions that would be considered municipal or private in other countries (e.g. provision of utilities, assembly and development of land). But it can not do everything, and the greater the number of secondary centers with development programs, the greater the need for on-site municipal performance, else the central government capabilities will be stretched too thin.

Despite concentration of power and funds in central government agencies and governors, elected municipal (commune) councils have important responsibilities for land development and for the financing and construction of certain public facilities.

Tunisia has 158 communes or municipalities, each

...administered by the communal council...which is elected by the local population. The council's powers are narrowly defined, and its actions are subject to the supervision of the governor and, ultimately, the Minister of the Interior. The council selects a president from among its members. An exception is the commune of Tunis, where the president of the republic chooses the council president from among its elected members. The council president represents both the locality and the central government.⁹

8. World Bank, Appraisal Report for the Second Tunisia Urban Project, 1979, p. 2.

9. Nelson, Op. Cit., p. 181-2.

Within this limited framework the municipality has the right to own and develop land and levy property and certain other taxes to supplement revenues from the state. Revenue sharing dispensed by the central government comprises a large proportion of municipal funds.

Under a 1976 law communities with development plans have authority to issue subdivision and building permits (See IV below) both inside municipal boundaries and within a 5 km perimeter outside.

By far the most significant municipal responsibility is the planning and construction of certain public facilities. The municipalities can ask parastatal and other central agencies to construct and maintain some facilities and economic investments (e.g. housing, sewage treatment, primary roads, and industries. But for others, especially ones which affect the quality of community life, such as markets, local streets, street lighting, parks, most sports and recreation facilities, local sewage lines, day care centers, etc. initiation and financing are up to the communities themselves.

Moreover, with the wide variety of agencies involved in one form of physical development or another, any coordination of investments, if there is any, must be led by the municipality, for this is the only institution in a position to keep track of what is taking place directly.

In communities that are not growing, failures by municipal authorities to exercise these responsibilities do not ripple through the structure of government to cause undue disturbance. But with a policy mandate which calls for municipal improvements to reduce disparities in the quality of life and which demands economic development in secondary centers, failure of municipal government to perform has serious implications.

Government is disturbed about this matter of capacity to plan, finance, and coordinate. Interviews with heavily worked central agency officials suggest that the central institutions want local authorities to play these roles, but find them lacking. Some secondary cities such as Sousse and Sfax have capable administrations, fairly effective tax collections and have sufficient funds to hire professional planning and management staffs. Most others do not. This difficult situation is illustrated by the fact that the national government had to forgive all outstanding municipal indebtedness in 1975.

A report issued by the Ministry of Interior in 1979 stated that cities had too little technical skill to design fundable projects, and were not even making use of financial resources that were available to them. One Interior official reported that the collection rate for local taxes is less than 50 per cent of the amount levied. He contrasted this general situation with Tunis where taxes are paid "willingly" because the municipality provides services, "In the smaller communities, however, this is a vicious circle. The services are meager, property owners don't come through with taxes because of this, and the city can't improve services because it lacks the funds."

For Tunisia's sixth five-year plan to succeed, there must be an upgrading of skills and financial capacity in local government. Central officials realize this and have begun to take steps to solve the fundamental problems with respect to skills and planning.

The Central Projects Unit of the Direction des Collectivites Publiques Locales in the Ministries of Interior and Finance will take on a greater direct management and technical assistance role in respect to municipal affairs.

Through CPU the municipalities have been asked to prepare five-year plans. These are not land use plans, but rather lists of needed public works similar in form to a five-year capital budget. Where physical development plans exist the projects will, presumably, be derived from them. The cities are to set priorities, provide project specifications and estimates of funding requirements.

"The work has to start with the cities themselves," says a CPU official, "because the national government can not know as well as they what are their needs."

Once a preliminary plan has been prepared, CPU staff will review the materials and then provide technical assistance to formulate feasible programs. Principal technical assistance will come from staff of the relevant sectoral agencies, e.g. ONAS, SNIT, STEG, etc. Other support may be forthcoming through World Bank and USAID technical aid to CPU. Advisers will help define reasonable projects and translate the priorities of the sixth national development plan in terms of projects to foster decentralized urban growth. With CPU's approval, the plans will then become the final development programs for the respective municipalities.

Simultaneously, CPU will try to improve municipal management through training activities, including special seminars, sending some staff overseas for education, and structuring university and vocational school programs to turn out better administrators. They will also make efforts to upgrade communities' efficiency in collection of local taxes.

There is also a commitment to increase allocations of central government resources for municipal capital projects. The Caisse de Prets (CPSCL),¹⁰ an urban loan fund allied with the DCPL, has existed for several years, but has had quite limited resources. Its funding capacity will be expanded through a special loan fund created in 1979.

Subsidized loans to municipalities will be allocated on the basis of need and project planning, rather than through the revenue sharing formula. Two specific loan programs have now been established. One, for critical infrastructure (e.g. water, sewer, parks, et al) carries terms of two per cent interest. The second program charges four per

10. Caisse de Prethet de Soutien des Collectivites Locals.

cent and can be used for "economically productive" projects such as markets and commercial centers. Even these nominal and subsidized rates of interest may be difficult for some communities to accept, CPU officials point out, because of the Muslim stricture against usury -- but they must be considered part of the inevitable learning process if modernization of these communities is to occur.

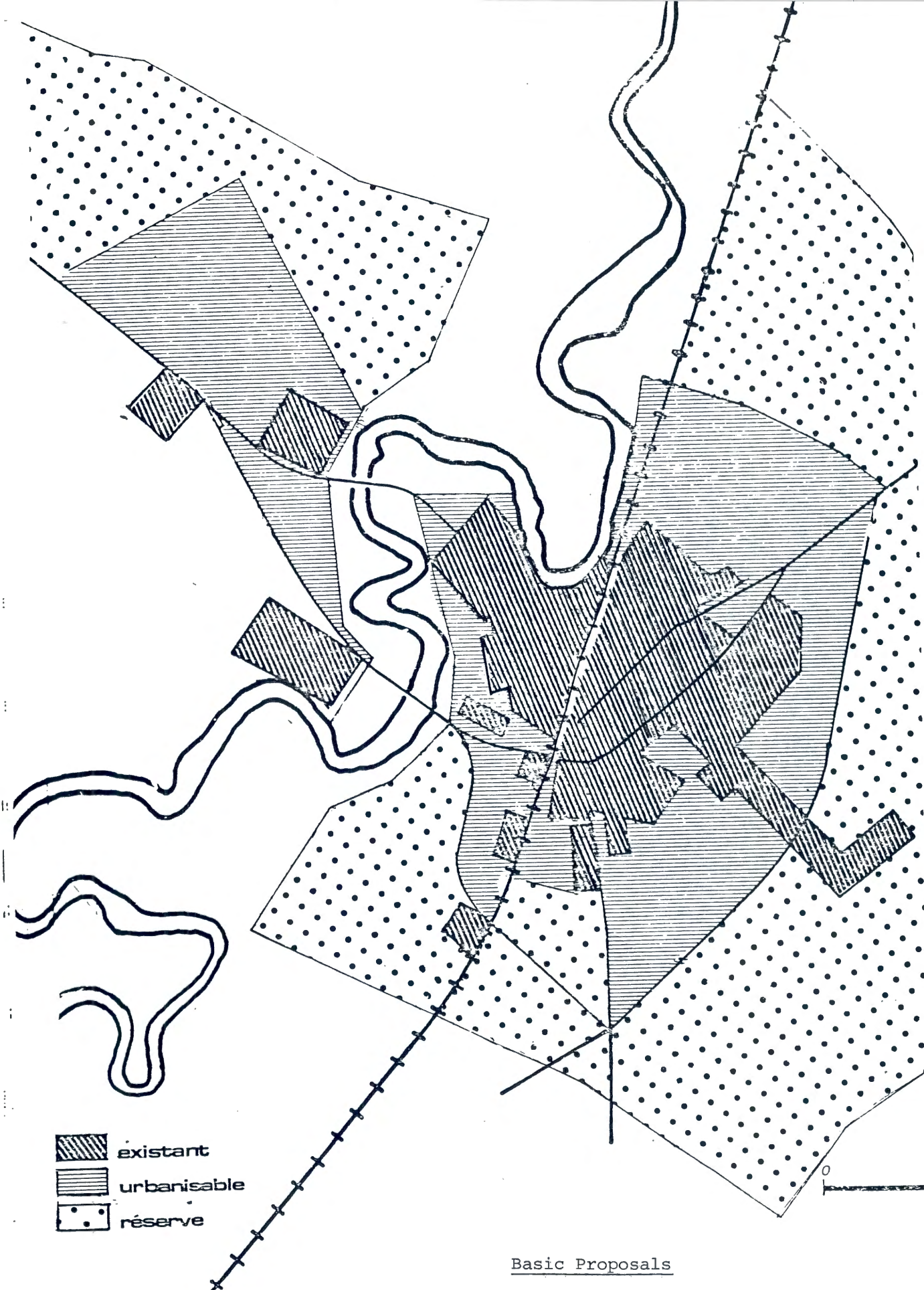
Thus, central government is fully aware that only a multi-dimensional effort will succeed in removing the obstacles to more equitable economic and social development inherent in the present nature of municipal government. That effort will involve intervention to improve project preparation and management, substantial technical assistance and training, and expansion of financial resources available for community development.

IV. Planning at the City Scale

The MOE's Bureau of Planning is ultimate authority for all urban plans in Tunisia, and the Ministry is also ultimately responsible for approval of zoning and building permits. In a country with 158 communes such a high degree of centralization can easily lead to a clogging at the top as well as a lack of sensitivity to local conditions in elaboration of urban plans. While some such problems exist, the Ministry has managed to work out "partnership" arrangements with municipalities, backed by presidential decrees, that permit a much more flexible situation in practice, fairly well tuned to local circumstances and responsive to requirements of specific development projects.

Development plans currently exist for all of the major, and many of the smaller, cities. They are prepared directly by the technical staff of the Ministry or by private consultants under contract. These plans function as "guidance" documents, providing a general framework for decisions on land use and infrastructure location. They are not rigid, all-encompassing master plans which define with precision the uses and development densities of all urban land over an indefinite future. Many plans have short-term (i.e. 10-year) perspectives. They can be revised during their lifetimes and scheduled for re-examination at the end of the planning period.

Where these guide plans exist, local municipal administrations are expected to fill in the details of area and project development through a more-or-less continual planning process. When major parastatal agencies such as AFH and AFI are scheduled to prepare and implement a project in a given city they utilize the adopted development plan as a guide to initial site investigation, but are empowered to work with the municipality, the Governor, and the Ministry if particular locations prove infeasible and plan provisions must be shifted. Discussions with parastatal agency officials and the planning staff in Sousse, a major secondary city with an over all development plan indicate that this generalized system of land use guidance works.



Basic Proposals

Source: MOE, "Ville de Jendouba, Plan D'Amenagement", 1976

Development plans act as the basis for permissions to subdivide land and install new uses. They govern densities and, ultimately the issuance of building permits.

A decade ago concentration of this power in the hands of a central ministry was bound to produce roadblocks as urban development quickened. Under a 1976 law, however, the municipalities themselves were delegated the permit issuing power, provided they had over all development plans. Decisions can be appealed to the MOE. Thus, some of the growing municipalities have resident technical staffs to perform continuing planning and review and issue permits, relieving the central ministry of these functions.

The same 1976 law provided mayors with permit review power outside municipal boundaries. The mayors can approve, deny, or modify development requests within a radius of five kilometers outside the town boundaries. This power, in practice, does help to deter urban sprawl. It also obviates the situation faced by USAID's pilot technical assistance project in Chonburi, Thailand, where principal growth was occurring outside municipal boundaries and local officials were unable to exercise control. Beyond the five km radius, the area's governor has permit-issuing authority.

In situations where a development plan is being prepared or does not yet exist the Ministry maintains permit authority. It does so, however, with advisory services from a regional commission comprising representatives of the municipality as well as central agencies (ONAS, STEG, etc.) who review and comment on each request.

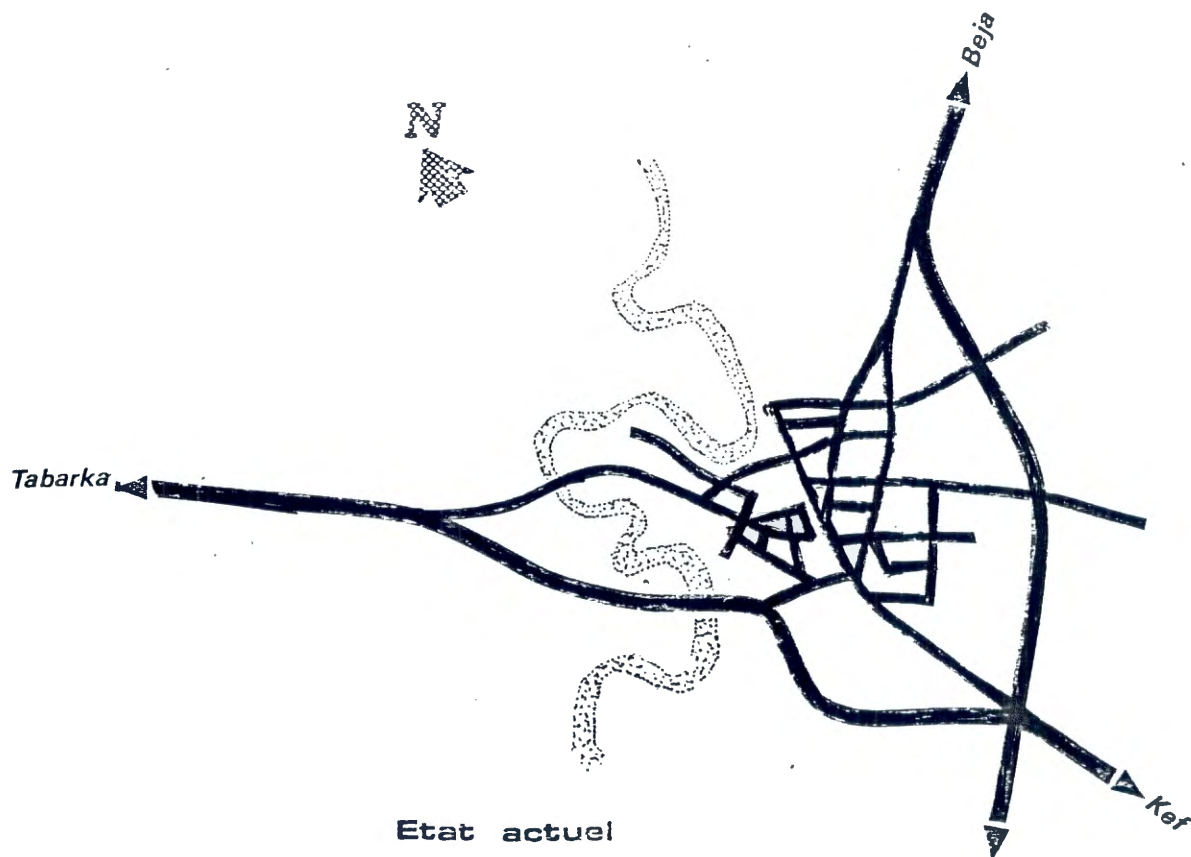
A. Character of the Planning Instrument

The development plan itself is an instrument strictly concerned with physical characteristics and relationships. It includes little attention to social or economic matters, except as these directly affect the quantity and location of land for urbanization or conservation. It does not deal with costs or timing, and its prescriptions of physical standards are somewhat mechanistic, stemming as they do from the application of certain "norms" to anticipated growth of population and employment. These limitations notwithstanding, the typical development plan does appear to be a reasonable guide to future decisions, at least in the sphere of land use.

The plans for Sousse and for Jendouba were examined in the course of this present study, as fairly typical example of those for a major secondary city and a smaller one. Sousse has been described above. Jendouba is a city of 20,000, the center of a relatively poor province in the northwest of Tunisia.

B. The Jendouba Plan

Jendouba's plan was prepared and adopted in 1976. At that time it was expected to hold for 10 years. It is remarkable in its



Road Plan

Source: Jendouba Plan, op cit

brevity -- fewer than 40 pages of text with accompanying drawings and photographs. Detailed zoning regulations which accompany the plan cover no more than another thirty pages. This is in contrast with many planning documents in other developing countries, hopelessly thick tomes of data and commentary which are likely to go unread despite such value as they may possess.

The document for Jendouba is well written, clear, and devoid of extraneous discussion. Whatever it lacks in "comprehensiveness", it makes up in strong, definitive statement of land use objectives.

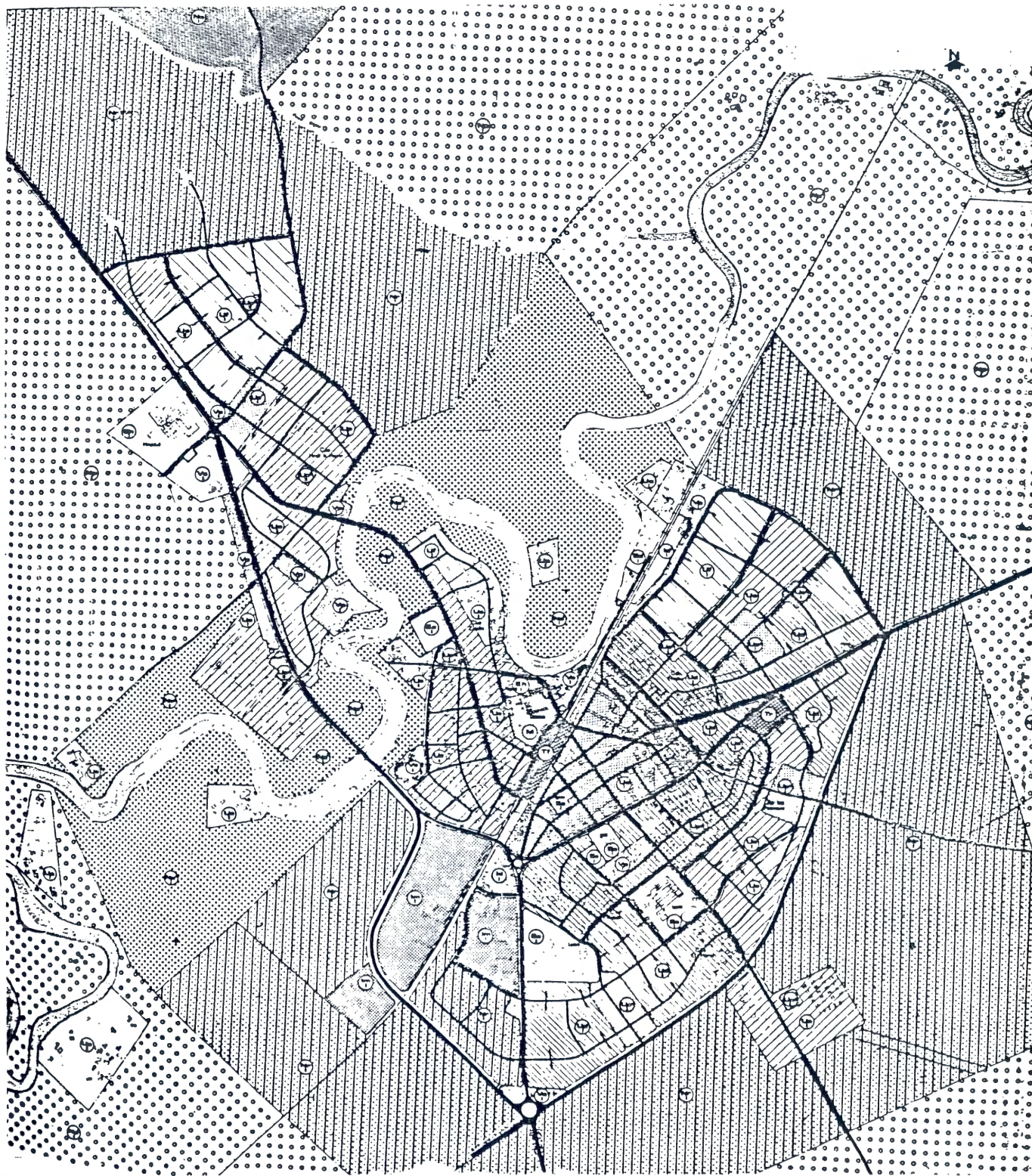
1. Background

The plan begins with a general discussion of past population growth -- which has been quite rapid over the decade -- and the continuing problem of underemployment. It then describes the urban and natural environment, the archaeological sites (Bulla Regia), the history of damaging floods, distribution of population, and it projects population growth (a doubling) by 1985. From the population estimates, the plan moves to calculate the need for jobs under conditions of full employment, and for housing. The housing requirements are then translated into terms of need for land, based on certain density assumptions, for both shelter and urban services, i.e. schools, roads, commercial areas, etc.)

2. Options and Policies

The next sections review basic options for location of new growth. Choices are made, and the document proceeds to identify the policy goals for the municipality toward which the plan framework is oriented. These are:

- a. To establish the key areas for new growth.
- b. To establish a land reserve not to be touched during the plan period.
- c. To identify locations for secondary centers.
- d. To delineate a hierarchy of roads.
- e. To concentrate industrial growth in established areas, without allocating new land until these are developed.
- f. To differentiate industrial sites from those allocated to warehousing and storage.
- g. To create greater densities in the central developed areas, concentrating residential growth where it can most easily be serviced.
- h. To identify informal settlement areas where redevelopment would take place.

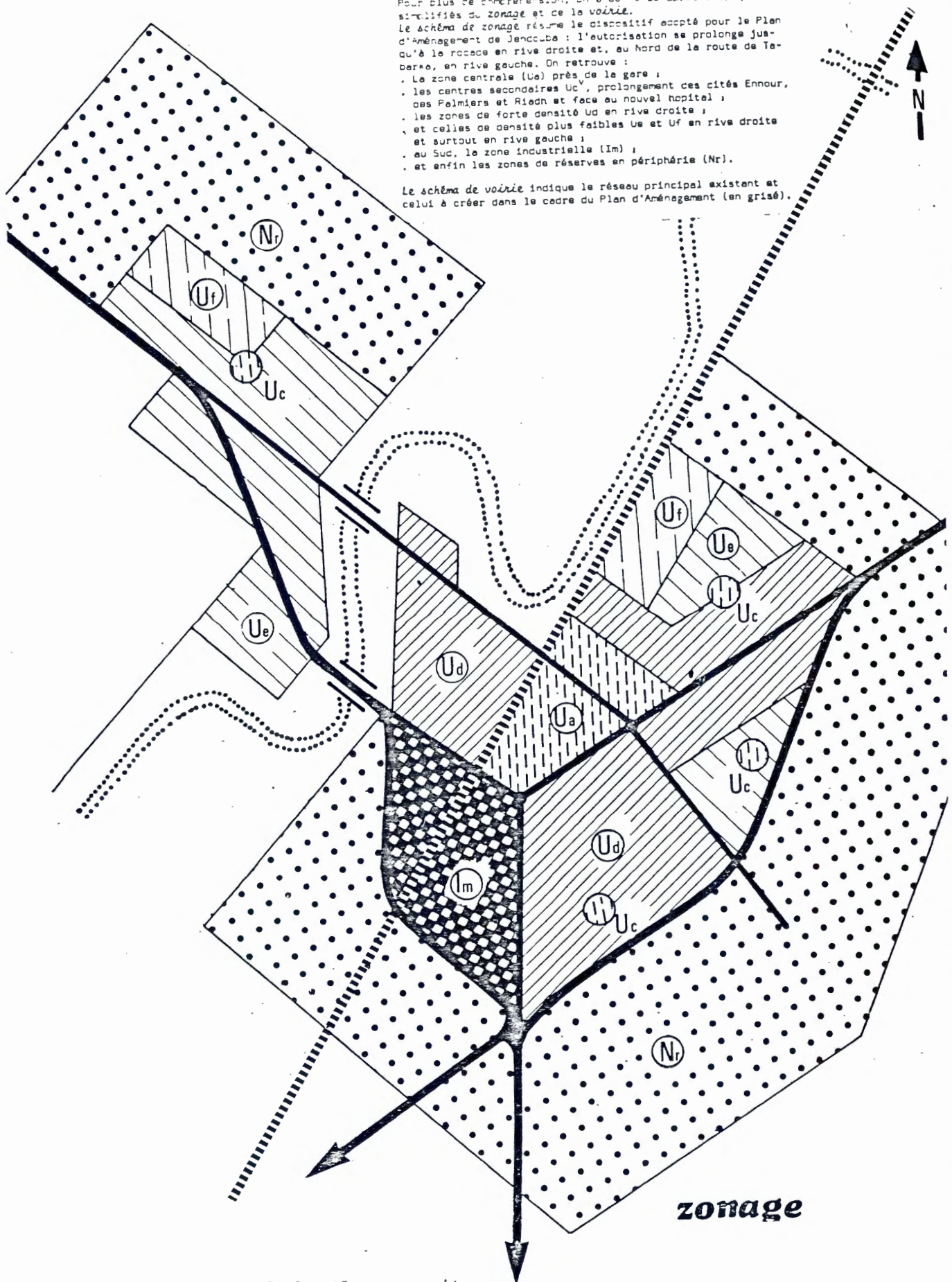


Detailed Plan

Source; Jendouba Plan, op cit

Pour plus de concrétisation, on a conçu ci-après 2 croquis simplifiés du zonage et de la voirie.
 Le schéma de zonage résume le dispositif adopté pour le Plan d'aménagement de Jendouba : l'autorisation se prolonge jusqu'à la rocade en rive droite et, au nord de la route de Terberke, en rive gauche. On retrouve :
 . La zone centrale (Ua) près de la gare ;
 . les centres secondaires Uc', prolongement des cités Ennour, des Palmiers et Riedn et face au nouvel hôpital ;
 . les zones de forte densité Ud en rive droite ;
 . et celles de densité plus faibles Ue et Uf en rive droite et surtout en rive gauche ;
 . au Sud, la zone industrielle (Im) ;
 . et enfin les zones de réserves en périphérie (Nr).

Le schéma de voirie indique le réseau principal existant et celui à créer dans le cadre du Plan d'aménagement (en grisé).



Source; Jendouba Plan, op cit

Given these basic policies, the plan proceeds to apply them to land in and around the commune itself.

3. The Plan for the Periphery (Scale 1:20,000)

As indicated above, the national assembly passed a law in 1976 providing municipal authorities with the right to approve or deny development requests within a five-kilometer-wide zone outside municipal boundaries. The Jendouba plan provides guidelines for exercise of these powers. It delineates two basic zones within this cordon:

- a. land which can be developed for various uses during the 10-year plan period, and
- b. Land in the following categories which should be held out of development
 - (1) Reserves to be maintained during the 10-year plan period but possibly developed later.
 - (2) Land undevelopable because of physical constraints (e.g. flood plain, steep slopes)
 - (3) Agricultural areas to be maintained in agricultural use
 - (4) Conservation areas with special environmental or historical features, e.g. the archaeological/-touristic site at Bulla Regia.

4. The Plan for the City (Scale 1:5,000)

In considerably greater detail, because it deals with the central municipality itself, the plan proceeds to establish guidelines for development during the 10-year plan period. We emphasize the concept of "guidelines" here because the plan stops short of street-by-street, block-by-block prescriptions. These are to be articulated by the municipality later (within the framework of the plan) as specific development or building projects come on line. Again the guidelines are established within two major zones:

- a. Areas which would not be developed during the plan period.
- b. Areas where development of some kind will occur during the period.

The development zone is further subdivided into three sections:

- (1) Area for housing and related services. Sub-categories within this are identified by over all density. One of these is the existing area of

informal settlement which is to be left alone pending specific renewal plans.

- (2) Major commercial and public facilities. Here the commercial, administrative, education and other "public" areas are delineated, along with major parks to be developed and open space to be protected.
- (3) Major activity areas, e.g. for industry, warehousing, transportation, and the military.

At this point the plan becomes the most detailed in its prescriptions. It identifies land standards to be applied in calculating public facilities needs, i.e. schools, hospitals, mosques, etc. and proceeds zone-by-zone to calculate such parameters as developable land, minimum permissible densities and land requirements for roads, parking, and public facilities.

5. Regulations Accompanying the Plan

The second major section of the Jendouba report consists of an actual zoning instrument to be enacted in accordance with the plan and to govern for the 10-year period. This instrument may best be compared with the "comprehensive rezonings" or "sectional map amendments" which frequently accompany urban area general plans in the United States. These are regulatory devices which give the plan prescriptions the force of law. In Tunisia they are established by decree when a local plan is formally adopted by the central government.

The decree for Jendouba includes both the city itself and the periphery extending five kilometers beyond the city's boundaries. In assessing the rigidity or flexibility of this instrument it is important to cite its preamble which states, "The validity of the plan is set for 10 years from the date of the decree. Minor adaptations can be made by the Governor of Jendouba with the favorable consent of the Municipality and the Office of Planning of the Ministry of Equipment."

The regulation establishes for each zone and sub-zone identified in the plan, land use and density prescriptions and development performance standards. These prescriptions cover the following:

Section 1: Nature of land use

Article 1: permitted uses

Article 2: proscribed uses

Section 2: Conditions for development

Article 3: access and road service

Article 4: access to and type of utilities

Article 5: area and shape of parcels

Article 6: alignment with roads and other public services

- Article 7: alignment with parcel boundaries
- Article 8: alignment of multiple structures on the same parcel
- Article 9: land coverage
- Article 10: maximum height
- Article 11: exterior design (where relevant)
- Article 12: parking requirements
- Article 13: open space and planting
- Article 14: coefficient of land occupancy (similar to the floor area ratio employed in the U.S. and depicting the total amount of building space permitted in relation to the parcel area.

The zoning regulation stops short of definitive prescriptions for existing areas of informal settlement. It establishes a long range objective of redeveloping these areas in conformance with more regularized standards, but recognizes the improbability of implementation in the short run. It essentially permits these areas to continue until an upgrading program is established. In the short run, however, the document urges that right-of-way be designed to accommodate roads and utility systems when upgrading does occur, and that early efforts be made to improve the poor quality of water supply and sewage disposal.

C. Planning in Sousse

Sousse has a plan similar in content to that of Jendouba. Sousse is Tunisia's third city, with a population of about 120,000. It is on the Mediterranean about 120 km south of Tunis over an excellent highway. Sousse is actually the center of a much larger urban region, including the industrial/agricultural center of Hamam Sousse to the north and the conference center/touristic city of Monastir to the east, President Bourguiba's ancestral home. The three communities have a combined population approaching 200,000 and the center of Sousse is within an easy 20 minute drive of both the other cities.

Tourism is the principal economic activity in Sousse. Along the coastline between Hamam Sousse and Monastir are over twenty resort hotels with several thousand rooms. The Monastir International Airport serves the region, whose "season" lasts for nine months of the year.

While tourism is prime, Sousse has capitalized on its advantages of ocean, air, and rail connections to become an important industrial center. The port and drydock are flourishing. There is a major regional power plant, and many industries are in operation or under construction in industrial parks at the periphery of the city. Sousse has a large medina and other historic sites that are being preserved. The city also owns two of the resort hotels, from which it derives revenues.

Sousse has a strong elected government and a dynamic mayor. It has one of the few locally-induced upgrading and social development programs in the country -- for an informal settlement area known as "Chicago"

because of its high crime rate. The program was sparked by the mayor and deputy mayor. Its planning had involved a great deal of participation by the area's residents. In the opinion of the former deputy mayor (at the time of this study the deputy mayor had recently been appointed to a high position in the Ministry of Interior to help organize its new municipal financing program) enlisting this resident support was the only way the city could deal with the area's increasingly intractable problems.

Sousse' mayor believes in planning, and he allocated funds from his budget for a sizable planning and research staff (eight to ten professionals). The planning director is a French-trained urbanist and engineer who is, himself, excited about the challenge of his position in a growing community.

The director and his staff like the plan prepared some years before by the MOE as a guide and they use it in that way in processing the high stack of building permit requests that are presented for their review. Their municipal planning office is responsible not only for enforcing the plan's basic provisions but also for working out detailed plans for individual smaller areas. These detailed area plans fit within the over all development framework established by the Ministry.

The staff is also aware of Sousse's setting in an urbanizing region. They described the mayor's power to rule on development proposals at the city's periphery with the objective of controlling spill-over growth. In this particular region, however, there are periodic meetings of local officials from the province and all the local jurisdictions to review jointly what each community is doing so that some coordinated planning can occur.

Certainly problems with the MOE plan exist, but the director points out that, in the case of port facilities and railroad expansion, the city had formulated well-reasoned positions to change locations. The mayor carried these requests for changes to the Ministry, and they were made.

The planning office also furnishes research and analytic capability for the city. They have prepared a series of small area demographic and social studies of older and squatter areas, done to help the city set priorities for its upgrading program. If funds become available from the central government, some of the projects developed in these studies will be initiated. The city does not have sufficient resources to go ahead directly with the upgrading program.

Sousse planning staff report good working relationships with national development agencies, such as AFH and SNIT, who come to Sousse with land acquisition authority and resources to undertake development. Representatives of these parastatal agencies respect the local personnel and seek their advice on all site locations. Ultimately they must request municipal approval for final site selections for their projects.

Sousse' chief need for help, in the view of that city's planning director, is not in connection with developing a plan framework, or improving intergovernmental relations, or even technical assistance in project design and execution -- but is mainly in the area of financing the infrastructure projects for which the municipality is responsible. "The city has a good technical staff that can handle most everything associated with a project...and if we can't we can always go to one of the parastatals for specialized assistance. What we lack are the funds to build the parks, schools, and other facilities that are either wholly the city's responsibility, or projects for which we have to share the cost with a national agency. Give us the funds, and we can do the job," he says.

Sousse may be unusual in the extent and caliber of its professional staff. In the matter of access to finance it shares with most other municipalities the single most important problem facing secondary cities as the sixth five-year national development planning period begins.

V. The Development of Urban Land

More than most developing countries, Tunisia has perceived that availability of urban land in appropriate locations and at reasonable cost is a critical element in urban development and a legitimate subject for national policy. Tunisia has established a basic approach to ensure land availability and dampen speculation. An array of parastatal organizations charged with preparing land for economic activity, housing, and community facilities implement the approach, and have been operating for about a decade. The agencies differ somewhat in their missions and methods of finance, but the three principal organizations (AFI, AFH, and SNIT) share the following basic characteristics.

Entrance into a community at the community's request and/or in response to national development objectives endorsed by the community prior to entrance.

Site selection in accordance with the community's development plan, but modification of that plan if detailed feasibility analysis proves first choice sites impracticable

Land acquisition through direct purchase, preemption, or expropriation.

Site planning, site assembly, and development on their own account and by coordination with other central agencies and municipal authorities.

Disposition of finished sites on a cost recovery basis at prices which set the pattern for area land sales and are intended to block speculation.

In addition each agency has tested its methods on projects in the greater Tunis region but has increasingly moved into the secondary cities and smaller communities. Each is now being regionalized in some fashion, with field offices in various parts of the country. Each will be relied on heavily to meet objectives of decentralized development during the sixth five-year plan period.

Before reviewing the missions and operations of these agencies it is important to underscore their role as the creators of new development areas. They operate on undeveloped land in and outside existing urbanized areas, and with the single exception of AFI's present upgrading of an existing industrial park in Tunis, are not being deployed to redevelop existing urban areas at all.

A. Agence Fonciere Industrielle, The Industrial Lands Agency

AFI was created in 1973, (as were the AFH and AFT) with the express mission of assembling and developing land for industrial parks throughout the country. Since then AFI has completed work on approximately 1,000 hectares of land, partly in Tunis and partly in the secondary cities. As the accompanying map of AFI sites in Sfax illustrates, the sites are strategically located to take advantage of existing transportation systems and proximity to commercial areas and concentrations of population.

AFI began with 2,000,000 dinars of capital from the state (about \$3.4 million) but receives all other financing through borrowing. Most recently they negotiated a seven-year, \$20 million loan at commercial rates, i. e. 20 per cent interest. Although AFI is a nonprofit institution it is charged with obtaining complete cost-recovery for its investments. As a parastatal agency it can pay its employees wages above the normal government scale and has thus assembled a skilled managerial and technical staff.

1. Entering the Community

Normally a municipality "asks" AFI to initiate a project. Many of these requests come via the activities of the Industrial Promotion Agency (API) of the Ministry of Industry which has the twofold task of promoting industrial investment domestically and overseas, and of conducting surveys in communities to identify their industrial potential. API meets with governors and municipal councils, who in turn request intervention of AFI.

2. Selecting the Site

AFI begins the site selection process by reviewing the area's development plan prepared by the MOE. Land designated for industry (either within the municipal boundaries or in the peripheral area covered by the plan) is targeted for initial investigation and discussion with MOE and local authorities. Prior to definitive

selection, however, AFI deploys its engineering staff or consultants to do detailed feasibility analyses of candidate sites. In most cases suitable land in the amount desired is identified from the plan.

Sometimes, however, the plan must be changed. In one instance, for example, the Kairouan plan had designated certain land for industry and a brick factory was already under construction. Detailed analysis showed the area to have poor soils and flooding problems. Despite initial objections by the governor, AFI selected an alternative site and worked with municipal authorities and the MOE to amend the plan.

3. Acquiring the Site

AFI and the other parastatals have land acquisition powers. While they can negotiate directly with landowners, they normally invoke a right of preemption for the desired site and a surrounding area. This decision is approved initially by the municipality and then up through central government channels to the Ministry of Justice and the MOE. Once AFI receives the right of preemption, it can effectively freeze land prices by exercising first refusal on any offer of sale.

At this point AFI begins negotiation with land owners. It can pay up to 700 millimes (about \$1) per square meter, the maximum price for land anywhere in the country. Apparently most owners come to terms during this negotiation period, since most sites are in agricultural use and the only buyer for higher value is AFI. The negotiation process may take several months, however, because AFI and the other parastatals are reluctant to exercise expropriation. Although expropriation procedures can be pursued through the courts, AFI has done only twice.

4. Site Development

AFI begins detailed site planning once the land is identified. The process includes coordination with other parastatals (e.g. water, power, etc.) and the MOE, who will provide trunk utilities and access if required. AFI itself handles parcelization, builds internal roads and sidewalks, and installs electricity, street lighting and potable water according to set standards. Telephone and telex are installed as well.

Of particular interest is AFI's growing commitment to install community facilities and services as part of its larger projects. A so-called "town center" approach has been tried in Tunis and is now part of every project larger than thirty hectares. It includes construction of certain core facilities that are sold to industrial re-users as part of the purchase price of the finished site: cafeteria, dispensary, convenience shops, meeting rooms, police station, gas station, and a central maintenance facility.

As for other worker-oriented services such as day care centers and mosques, AFI officials' basic approach is to try to locate sites near

existing concentrations of workers' housing. Alternatively, they coordinate their own site development with projects of SNIT and AFH so that residential units for the potential labor force are easily accessible to the industrial areas, and they prefer that services such as day care be located in these residential settings.

The effects of this policy can be observed in southern Tunis, where new industrial development (apparently not very much constrained by environmental considerations or rigid ideas about separation of land uses) is within easy walking distance of new residential areas accommodating a wide range of income levels. Indeed, Tunisia has been more dedicated to this coordination of industrial and residential siting than most developing countries, and is probably on a par with Singapore in respect to importance of this policy principle.

AFI officials are, however, ready to admit that the policy does not always have the expected results, citing some cases in Tunis where nearby residents commute elsewhere and job-holders in the plants come primarily from other sections of the city. AFI and its sister agencies do, at the very least, try to link work place with community.

5. Site Disposition

AFI normally builds for specific industrial clients or proceeds on the basis of a market assessment that identifies a reasonable demand for finished land within the near future.¹¹ Because of its cost-recovery charter and its limited capitalization the agency does not feel able to operate a land bank.

Deals are negotiated with specific customers in accordance with a basic formula. Total costs including land acquisition and site development are roughly the same throughout the country (about \$10 per square meter). Finished prices are set, however, at three levels depending on location. For the most preferred areas (e.g. Tunis, Sfax, Sousse) the price is set about \$40 per square meter. For the least well-off (e.g. Beja, Jendouba) the price is set below cost, at roughly \$7 per square meter. For centers in between, with some viable economic activity, the price is put about the \$10 per square meter.

Thus, there is a cross-subsidy for the least developed centers by projects in the most dynamic urban areas -- a practice completely in keeping with national policy to discourage continued concentration of industry in the major cities and distribute it elsewhere.

Because the municipalities have responsibility for building permit approvals, AFI follows through with a client to the final permit stage. It coordinates with other parastatals and ministerial agencies to ensure that all services are in place and works with municipal authorities to obtain the necessary permits.

11. AFI rarely builds finished structures in its disposition package, but will do so -- it has completed 77 buildings to date -- if necessary, to attract foreign investment.

Once the plants are completed and ownership transferred, the finished properties go on the tax roles of the affected communities. The revenues become a major resource to the financially strapped towns. AFI officials say there is no reluctance on the part of owners to pay these taxes because "once the services and facilities are installed, people realize the need for taxes to maintain them."

By setting the selling price for finished lots, AFI has a "secondary" objective of controlling speculation in industrial land. When the agency began in 1973, raw land sold by the private sector for industry in Tunis and Sfax cost about 12 dinars per square meter (about \$5) and was so high as to deter development. AFI then assembled and finished certain government-owned sites at a total cost of 2.5 dinars per square meter. The agency then marketed these at 6.5 dinars per square meter, slightly above half the price of unfinished private lots. New plants moved onto the government sites, and private owners dropped their prices. Now there is a rough equilibrium. Private finished industrial lots are running about 31.4 dinars per square meter vs. the 28.5 of AFI in Tunis. AFI intervention has clearly worked.

While speculation has been dampened, the three major cities continue to attract the bulk of industrial growth. Even the considerable differential between site prices in the next tier and the major cities (a factor of four) is not sufficient to move a significant portion of new industrial growth to the less developed areas. This is an issue which AFI will be confronting under the next five year plan.

6. Regionalization and Decentralized Development

Major AFI decisions on land sales and site planning continue to be made in Tunis, but the agency has begun to decentralize its operations in to five regional offices (Sfax, Sousse, Gabes, Beja, and Gafsa), each conducting liaison with three to four gouvernorats. The objective is to decant growth out of Tunis and to provide the closest possible on-site coordination of projects outside of the capital.

Decentralized industrial growth is to be a major objective of the next five-year plan, and AFI is approaching it with some new tools, but a considerable amount of trepidation.

Two new tools are contained in a June 1981 industrial incentive law geared to the most important objective of the new plan, creation of industrial jobs. There are two incentives. One will be applied to all firms, regardless of location, who create new jobs. This is a tax reduction based on the number of new employees hired.

The second has regional implications. It is the application of direct capital grants to firms based on the number of jobs created and location of their selected sites. No grants at all will be forthcoming in the most well-off areas. At the sliding scale established, the direct capital assistance available for the lowest income areas would

represent a significant subsidy incentive to decentralized industrialization.

This is an objective which AFI approaches with some concern. Under the forthcoming plan, a target has been set for 22,000 new industrial jobs per year. In land development terms, this works out to a requirement of 220 hectares of finished sites annually, almost double the level of past production. At least a major proportion of these sites would be targeted for the less-favored cities where AFI has hitherto had quite difficult experience. Marketability is a key factor because of AFI's cost-recovery mandate. The agency does not believe it can hold finished sites for an extended period and marketability in the outlying, smaller centers is a serious problem. AFI officials cited the example of Beja where the municipality requested industrial development. AFI's assessment proved negative, and the agency replied that it would not act even to acquire the land until the city could provide a list of specific company prospects.

In view of AFI's experience with successful projects, they believe that even when there is compelling resource advantage to outlying locations, there is need for a full array of "urban" services to attract top management and professional staff. Beyond good quality housing and schools, recreational facilities, places for entertainment, shopping, airports, and instant telephone and telex connections are all regarded as crucial. Utilities and services to support plants are on one level of need -- and under AFI's control -- but that in an increasingly competitive world of business AFI fears that the amenities of urban life -- which are not under their control -- now make an important difference in industrial location. This is the challenge AFI faces in performing its role within the sixth five-year plan period.

As of this past summer, the Tunisian government announced creation of a "super" regional planning and coordinating body to guide decentralized investment during the plan period. Composition of this body and its leadership has not yet been announced, but the AFI officials stress that skilled apolitical professional direction is called for along with the power to force coordination, if the plan objectives are to be achieved.

B. Agence Fonciere d'Habitation, Housing Lands Agency

AFH is also a land assembly and development agency, created in 1973 at the same time as AFI, with a similar initial capitalization of 2 million dinars. Its role is to produce sites for housing at all income levels that can afford to repay the cost of land and services, and thus focuses on middle- and upper-income production -- although 60 per cent of its output is to be for "social housing", roughly synonymous with the public housing activities of SNIT.

SNIT is a major customer, although it does handle most of its own land assembly and development. AFH differs from SNIT in that it does not build shelter. Nor does it continue to maintain projects after

development. It prepares the land and supervises its servicing for transfer to private and public home builders.

Like AFI, AFH is a parastatal with skilled technical staff that it can pay at higher wages than normal government scale. Unlike AFI, however, it is not empowered to borrow for development financing and must therefore finance its development activities through advance sales and cash payments of its programmed output.

One of AFH's greatest strengths is its commitment to design and develop "communities". Each project contains provisions for a range of income levels and housing types from apartment blocks, to private builder subdivisions, to individual lots upon which owners build their own units. Each also -- depending on the project scale and proximity to existing residential areas -- has space for commercial services and a complement of community facilities from dispensaries to schools and mosques, along with land for parks and recreation space.

AFH is a powerful organization with a broad mandate. Thus far it has exercised that mandate primarily in and around metropolitan Tunis, although it has begun to expand in secondary cities and to decentralize.

Under the forthcoming five-year plan AFH will be expected to operate more extensively outside of Tunis and shift its emphasis towards greater accommodation of lower income households.

1. Entering the Community.

Normally, the provincial governor or the municipality initiates request for AFH. In practice, most of the agency's activity has been within the Tunis district since there is the greatest unfilled demand for middle- and upper-income housing. During the years 1977 and 1978, for example, AFH developed sites for 33,519 housing units, of which 22,245 (72 per cent) were in the Tunis area. Of the 9,274 units produced elsewhere, 2,754 or 30 per cent were in Sousse and Sfax. The relative distribution remained about the same for the 1979 program year, although Sousse and Sfax received about 40 per cent of production outside of Tunis.

2. Selecting the Site

AFH also works within the city's general development plan and normally selects a location within the programmed residential zone.

3. Acquiring the Site

AFH acquires land by a method slightly different from AFI's, yet with similar results. Decisions are made in consultation with provincial governors and local mayors, and sufficient land is identified to meet an estimated two-year production schedule. Once the site is chosen, AFH asks for a preemption decree covering both the

desired land and a significant surrounding perimeter (one means of blocking speculation). A special commission then establishes a price reflective of market conditions. The amount is put in escrow pending negotiations with the owners.

If the owners challenge the asking price, they have redress to the commission on the amount of compensation, but not on the transfer of ownership. AFH has what is termed in the United States a "quick-take" power which provides immediate expropriation and permits the project to proceed. Meanwhile, three independent appraisers assess the land for court proceedings which will award a final sum. The "quick-take" power reflects the urgency of AFH's mission, and the agency tries to proceed with development within the two-year period.

In the case of smaller, less favored communities the "build-out" time tends to be longer and AFH, whether by design or accident of market, must move into the position of land banker. AFH may hold a fairly large parcel, but develop in the short run only those sections for which it has definite buyers.

4. Site Development

Once land is identified, AFH staff prepare detailed site plans for both the residential units and associated services. Coordination must be maintained with the infrastructure agencies because these actually handle construction of both off-site and on-site facilities. The latter are responsible also for maintenance of the utilities they have built and for levying user charges once the projects are completed.

The scale of the projects and their strategic locations on undeveloped land imply a capacity to attract additional urban growth on private land nearby. The General Director indicated this does occur, and that sometimes the infrastructure agencies size their trunk systems to accommodate future development outside the AFH projects. In this event, landowners bordering the trunk lines are charged a proportionate share of the cost, reflected in increased property tax. This permits recapture by the municipality of some benefits from the original public capital investment.

5. Site Disposition

AFH has a particularly interesting approach to land sales. Even before development the Agency establishes prices for the various sites, from large scale subdivisions and apartment land to individual homeowner plots. The land is then pre-sold with all the private buyers paying the full stipulated price in advance. (SNIT is empowered to make instalment payments.) This permits AFH to utilize the funds for actual project development, especially important because it lacks access to loans.

Housing demand has been so high, that prospective developers are willing to make such prepayments. This system is, of course, self-limiting for, in effect, it narrows the range of available buyers to

those who have sufficient capital resources. The payments are provisional and, if development costs prove higher than the original estimates, additional charges are levied on the buyers before they can gain access to the land they have purchased.

If demand for subdivisions or apartment sites is sufficiently intense that there is more than one prospective buyer, AFH draws lots to select the successful bidder rather than permit the land to be bid up beyond the established selling price. When demand exceeds supply for individual house lots, AFH asks the municipality to choose the purchasers. Such choice is based on chronological order of signing up. All the finished housing sites (including those earmarked for SNIT) are priced at cost plus 10 per cent which covers AFH's operations.

On commercial sites the agency can make a profit. These are sold at auction above a minimum price. Sites for public facilities such as hospitals and schools are transferred to the responsible ministries at cost. Meanwhile the municipality receives at no cost, parks, parking areas, and finished streets. As with AFI, all privately owned land then goes on the municipal tax rolls.

Despite professed efforts to complete projects in two years, AFH has been subject to delays which have distressed buyers who put up the entire purchase price in advance. Now the agency is trying to hold project development to eighteen months and is encouraging builders to use that period to prepare construction drawings for implementation immediately after transfer of finished plots.

Countering speculation is one of AFH's most important tasks, since inflation in residential land was one of the factors which brought it about. Here it claims considerable success and contends that its pricing program has caused private landowners to cut back on their expectations -- or risk being left with unmarketable sites.

6. Unfinished Business -- Regionalization and Shelter for Low-Income Groups

AFH's considerable success has been in the major cities, principally Tunis. The agency now has two regional offices (in Sousse and Sfax) which can negotiate land sales, but have limited development authority. Further decentralization is expected. The agency has been criticized for concentrating on serving higher-income groups, to a great degree a result of its limited capitalization. It contends that it will be seeking ways of accommodating lower-income groups and has begun to explore ideas of cross-subsidies from higher income purchasers.

AFH is expected to play an important role in the decentralized development program, but like AFI, it is struggling to figure out how this can be accomplished in view of the restrictions in its charter, lack of significant experience in the outlying centers, and the constant problem of finding a paying market for its output in smaller cities.

C. Societe Nationale Immobiliere de Tunisie, Housing Development Agency

Of all the parastatal agencies concerned with urban development, SNIT has the most extensive mission. It is a housing agency, but one which builds and manages shelter as well as assembles sites. SNIT is responsible for providing housing to a wide range of income groups, but primarily those who can not afford conventional shelter in the private market. While the bulk of its production is urban, it also provides housing for rural residents outside the urban perimeters. SNIT is the largest single home builder in Tunisia and has an output which is truly prodigious.

During the past few years it has been completing 18,000 to 20,000 units annually, close to 50 per cent of the country's total housing production. Although the largest single proportion of its output has been in the Tunis area, SNIT has extensive experience in the secondary cities and is perhaps the most decentralized -- in terms of decision-making and operations -- of all the land agencies.

During the period 1972-79 SNIT built 90,000 units, of which about 27,000 or 30 per cent were in Tunis. Sfax received 10.2 per cent (9,327 units) of the production and Sousse, 6 per cent (5,410). Given the population of these two centers relative to Tunis, SNIT would seem to be playing a major role in their urbanization. SNIT will be a principal instrument of the country's effort to build up secondary centers in the next five year plan.

1. Some Background.

Beginning in 1969, the agency was the first of the major land assembly operations, and was charged from the first with the full task of site development, financing, and construction of shelter. After two years when output was only 3,000 to 4,000 units, the government created other institutions (with which SNIT continues to work closely) to handle shelter finance and the AFH to be the principal instrument of land assembly. While SNIT continues to be a prime purchaser of AFH sites, its own charge for moderate- to low-income housing has so expanded that it now buys and develops the land for most of its own projects.

SNIT's powers of acquisition, assembly and development of land are similar to those of the other parastatals. It consults closely with both governors and municipal officials on building targets, and must coordinate its field activities with the water, sewer and electric power agencies and the Ministry of Equipment who provide utilities.

SNIT has already become the most regionalized of the major parastatals. It has five regional offices, each with professional staff. While over all budget and policy is set in Tunis, the regional directors have flexibility to select projects and sites. These offices handle site planning and project design as well and, within the constraints of

standard housing types and limited budgets, are charged to adapt the character of units and neighborhoods to particular local climatic and social conditions.

SNIT's planning emphasizes a mixture of dwelling types and income levels in most of its projects. The resultant mix of income levels is particularly broad when SNIT purchases sites from AFH, which is developing middle- and higher-income housing nearby. SNIT itself concentrates on lower-income groups and built only 100 middle-income housing units during the past year.

With its construction activity, SNIT is also a major source of jobs. Officials estimate that new jobs created by its projects have been running about 5,000 to 6,000 annually. SNIT's own job-generation ability will be important in the smaller cities.

Because of the scale of its mission and its significance in creating shelter for the lower income groups, SNIT has been the principal implementer of USAID assistance in the shelter field (although the housing bank, CNEI, has been the actual recipient of loans).

2. Problems

Despite clear success in housing production, SNIT faces certain qualitative problems as it expands its activities in secondary centers. While these do not effect the basic shelter mission, they do impact seriously on the adequacy of living conditions for those who occupy SNIT dwellings.

a. Site Costs and Locations

Although it operates within local development plans and attempts to locate projects near industry and other work places, SNIT functions under a fundamental cost constraint. It has to select and build on relatively inexpensive land. It has to pick land whose purchase and development costs can ultimately be repaid by project beneficiaries, even though some measure of government subsidy may be involved in rental or purchase of units. The search for cheap land, especially in the smaller urban areas, has sometimes led to sites that are some distance from employment and services, giving the development the isolated character that occurs so often in the developing world.

b. Coordination

Despite efforts at regionalization, the further a SNIT project is from Tunis, the more likely that coordination difficulties will arise with other parastatal or government bodies responsible for key project

elements. Of particular concern are the community facilities essential to livability. SNIT builds the units and convenience shops to serve its development. It only reserves the sites (as does AFH) for schools, playgrounds, dispensaries, police stations, etc. Other agencies have to obtain the budget and manpower to build them. SNIT can not force their construction to mesh with opening of the project nor can it handle the building and operations itself. The proper mesh does not always occur and project residents can be left without important facilities for extended periods.

This situation was highlighted in a recent consultant report on AID-assisted SNIT projects in Sfax and Mahdia which have been completed and occupied, but still lack even primary schools.¹²

In fairness to SNIT, its management recognizes the problem, one over which it has limited control. This coordination issue is one Tunisia must resolve as it attempts to apply housing production techniques that proved successful in thriving economic centers in places where conditions are less favorable.

VI. International Assistance and Urban Development

For almost two decades Tunisia's commitment to urban development has attracted international assistance agencies. Support, particularly from the World Bank and AID, continues to be extensive. The nature of that support has broadened, along with the country's own efforts to expand benefits of urbanization from Tunis to the secondary cities. Present activities concentrate primarily on shelter for the urban poor, but include technical assistance and institution-building to permit both municipalities and central government to implement investments more effectively outside Tunis.

A. U. S. Peace Corps

Some of the early assistance, during the 1960s and 1970s, came from the Peace Corps which deployed numerous professional architects and planners in Tunisia. Many were located in Tunis, but others were in secondary cities such as Kairouan. While it is difficult to trace cause and effect, one might surmise that some of the land use orientation, the flexibility, and the "guidance" character of Tunisia's municipal plans can be traced to the influence of these United States-trained volunteers. In these features Tunisia's planning instruments differ considerably from other developing countries' where more detailed and rigid European planning approaches have been utilized.

12. Bureau d'Etudes A.E.U.D., "Mission: Visite et Inspection des Chantiers", Janvier 1980.

Today the earlier bilateral program of resident volunteer assistance no longer exists, and Tunisia feels itself entirely capable of undertaking planning with its own government staff and consultants.

B. USAID's Office of Housing

USAID, through its Housing Guaranty program, became involved in 1966 and has subsequently disbursed almost \$35 million in shelter loans along with some technical assistance. AID's activities have reflected the changing focus of the Agency and have helped to accelerate changing priorities of the GOT itself. The first project was a middle income housing development in Tunis. The second was also in Tunis but supported a new residential area with a mix of middle- and low-income families. During the 1970s Tunisia continued to emphasize relatively high cost new housing, along with heavy subsidies to the range of lower income households who could obtain occupancy.

Meanwhile, Congress redefined AID's mission, charging the Agency to concentrate on affordable solutions for the urban poor. This included upgrading existing settlements, expandable core housing, and sites and services projects. Although initially Tunisia was reluctant to try this approach, the hard economics of its limited resources became evident. AID's next loan guaranty (003, for \$20 million) was an incentive to move in new directions, not only in Tunis but elsewhere in the country. Part of the funds went for additional units in the Tunis new town of Ibn Khaldoun. Another portion helped launch a major upgrading project, in the Mellassine neighborhood of Tunis. These projects are partially completed. Much of the assistance, however, went to initiate a program of core housing (1,400 units) in both Tunis and secondary cities. Sousse, Sfax, and Monastir were among those to receive 100-200 core units each, in developments sited and constructed by SNIT.

When the 003 loan was initiated, Tunisia was not yet prepared to accept the "minimal" shelter approach of sites and services. It is willing to do so now, however. The next HG loan will be devoted to sites and services, core housing, upgrading, and community facilities. This proposed loan will be for a total of \$50 million. All the funds will be used for projects in secondary cities. The largest and most prosperous of these, Sousse and Sfax, as well as Tunis are not to be recipients under the proposed new loan. There are seven target cities ranging from 2,000 to 45,000 in population. None of these has had upgrading projects previously. Thus, AID will now be supporting urban projects that meet the new national plan objectives of wider secondary center development.

An implementation agreement for the new loan has not yet been signed by the GOT, due to its reluctance to commit to current high interest rates. But the program itself is fairly well established within SNIT and other agencies who will be responsible. Some technical assistance funded through USAID's IIPUP program has already begun, and the government is using its own staff on pre-project planning in the expectation that the program will proceed.

PROJECT TECHNICAL ASSISTANCE MATRIX

Title	Size	Duration	Recipient	Supplier	Funded Via	Purpose
Home improvement and construction loan Mgmt. plus savings mobilization	TDY consultancies	Five months or more	CNEL management	RHUDO/Tunis via DS/H contracts	HG fees and/or HG proceeds	start-up advisory services on forms, guarantees, loan mgmt. and savings mobilization for the irregularly employed
Advisory T.A. for passive solar heating and composter toilets	Up to 10 PCVs or private advisors	starting FY 80 for 2 years	municipal tech. services of selected small towns, via DCPL/ SNIT/Private Developers	Peace Corps or privately contracted advisers	"Action" and GOT Interior and Equipment Ministries	Training on installation, inspection and maintenance of solar heaters and composter toilets. Training of municipal counterparts & possibly work crews.
	Up to 10 PCVs or private advisors	starting FY 81 for 2 years				
IIPUP support small town technical staff	At least	up to 48 months	technical staff of small towns as selected by the DCPL	Host Country Contracts	IIPUP grant for FY80 and associated GOT contribution	strengthen the mgmt capacity of municipal cadres to carry out upgrading
IIPUP socio-economic activities for local upgrading beneficiaries	\$200,000		upgrading communities and residents	HC Contracts/ US Consultants/ local support		provide integrated socio-economic services to upgrading areas

It is in technical assistance that the new activity may have some of its greatest benefits. As we have noted earlier, central government is concerned that the smaller municipalities lack the information and the staff to carry their own weight in project development. The technical assistance from central government and USAID, both, will be directed toward filling that gap. Already the IIPUP-funded program has led to field investigations by Tunisian consultants to obtain basic data in several of the candidate cities. Existing statistics have been verified. Extensive questionnaire surveys of resident economic, social and shelter characteristics have been undertaken. Detailed physical and demographic portraits of neighborhoods have been drawn for the first time, and priorities for specific improvement projects have been established.

Once the loan program starts, technical assistance funded through IIPUP and other sources will focus on training and advising municipal staff on matters relating to public works, i.e. planning, coordination, execution, and to improving social service and education in upgrading areas. The full range of activities anticipated is summarized on the accompanying matrix from the project paper for the new loan.

Another important feature is AID's support, jointly with the World Bank, of a central government agency with explicit responsibilities for financing municipal projects and upgrading municipal administration in cities outside Tunis. This institution-building will be critical if Tunisia is to have any hope of achieving its decentralized development objectives. During the 1980s, both USAID and the Bank will channel their efforts through the Central Project Unit of the Ministry of Interior's Direction des Collectivites Publiques Locales (DCPL)

The DCPL has taken on a new look in recent years. Currently the MOI is considering a reform of the organizational structure of the DCPL, specifically to assure a more efficient approach to municipal improvements. The IBRD project, now under way, offers the first major opportunity to develop the staff and organization which is necessary for channelling international assistance funds to municipal projects in addition to improving DCPL's ability to deal with the subject matter. The DCPL's Caisse de Prets et de Soutien des Collectivites Locales (CPSCL) has also been revitalized so that the GOT will have a better financial conduit through which to assist the urban development process.

The CPSCL is under the supervision of the the Ministries of Interior and Finance. The CPSCL's main purpose is to lend to public entities such as municipalities and gouvernorates for financing public facilities, infrastructure works and municipal housing development.

Initial familiarity with the IBRD project operation will strengthen the DCPL/Caisse staff which should be ready to expand its focus to the interior of the country by the time the HG project begins implementation. The results of this 'break-in' period

should...lead to a major new GOT effort to cope with the problems of municipal government as it confronts urban development during the Sixth Plan period."¹³

C. The World Bank

The Bank has also played a role in urban institution-building for Tunisia. Its first urban project in 1973 helped establish the regional governmental and planning agency of the District of Tunis and modernized the capital's transportation system:

In the first years of its existence the Tunis District was able to complete its original work program established in consultation with the Bank...to (i) carry out sectoral analyses resulting in the identification of deficiencies and leading to the design of priority action programs, (ii) develop a strategic regional development plan, (iii) establish more realistic and operational programming and budgeting mechanisms, and (iv) initiate a number of important changes in investment programs¹⁴

The Bank's second project is for shelter and services primarily for the urban poor and is to be concentrated in Tunis and Sfax. Total project cost is estimated at \$45 million, of which the Bank loan is \$19 million.¹⁵ In Tunis the emphasis is on upgrading of low income areas, one of which adjoins the USAID-assisted upgrading project, and on solid waste collection and disposal. The program in Sfax is multidimensional. It includes 1,900 sites and services plots with allied workshops and community facilities, construction of schools, loans and extension services to improve small business, and improvements in traffic flow and management.

Over and above these, the Bank will provide consultant and advisory services to both Sfax (as a case with replicable consequences) and to the Central Project Unit. The objective is to improve over all management and programming of projects both at the central support level and within the municipalities.

Thus, the thrust of both the World Bank and USAID programs in Tunisia during the 1980s will be toward support of secondary city development through project loans, advisory services, and on-the-scene management training.

13. USAID 004 Project Paper, 1979, p 42-43.

14. Second Urban Project Appraisal Report, p. 6. This direct intervention is in addition to the indirect urbanization effects of the Bank's tourism project cited earlier.

15. The Dutch government will also loan funds for the upgrading.

VII. Structural Adjustments under the Sixth Five-Year Plan

Tunisia's sixth five-year plan is still under preparation, so many specific features will not be known for some time. At this writing, however, it is clear that the plan will involve some fundamental policy and structural changes besides those discussed in earlier sections of this report.

A. Regional Rural/Urban Focus

The effort to reduce economic and social disparities will be regional in character and will involve concerted attempts to develop rural as well as urban areas outside the most favored coastal region. Thus, while municipalities in general will be singled out for support, specific secondary centers will not be designated for special treatment, at least at the policy level. In this respect Tunisia's program differs, for example, from the "growth pole" approach being pursued by Korea in its new five-year plan. There fourteen centers are designated for special attention. In Tunisia, all cities in the less-favored regions will be considered poles of development for their respective hinterlands. The objective is to formulate regional strategies which will foster this evolution.

The "regions" will consist of contiguous gouvernorats with similar development characteristics. Strategies will be evolved at the regional level, and within each gouvernorat. Special programs will be set for rural areas within the governorats as well as for the cities. Governors will have special loan funds for rural area development, along with the urban assistance of the Caisse de Prets.

Presumably this entire aspect of the plan will be coordinated by the new "super" regional commission, involving the staffs of various ministries and a professional, rather than a political, director. The precise powers of this commission are not yet known, i.e. whether it will have decision-making authority or whether it will be strictly a coordinating body with only advisory powers, whether it will deal with land planning issues or will be limited to economic and social planning.

B. Carrot and Stick

The government clearly intends to offer a battery of fiscal incentives to both urban and rural areas in support of the decentralization policy. Some of these, e.g. the industrial incentive law and the municipal loan funds, have been cited already. In addition, planning ministry officials indicated that denial of location permits will be exercised if needed to block additional concentration of major industry in Tunis. Commensurate with these strictures, the plan will direct industrial development activities of AFI away from Tunis entirely, and into other regions. Similar locational pressures (although not perhaps as extreme) will be put on AFH, SNIT, and the other major parastatals.

C. An Analytic Component

Analysis, on a continuing basis and at a highly professional level, will guide formulation of investments under the plan. The policy is to launch carefully thought-out programs at every level to minimize the risk of failure. Thus, every gouvernorat has, or is to have, a "cellule" of researchers and planners to guide project formulation and funding at rural and urban levels. The "super commission", regardless of its ultimate decision-making power, will be staffed with trained professionals in a number of fields who will prepare over all regional development plans and link these with the national plan itself.

D. Concluding Note

Thus, in theory at least, Tunisia is about to embark on a well-considered national effort to reduce the dominance of Tunis and the coastal region and to build up economic growth in less-favored urban and rural areas. Physical planning and the rapid mobilization of urban land will be important components of this effort. Tunisia has already achieved notable success in translating both national and urban plans into action. Certainly the relevant range of issues has now been recognized and the structure for this new level of comprehensive action is now in place. Politically, the strategy is probably most appropriate for this stage of Tunisia's history.

While the objectives and approaches are clear, an observer is still unable to assess the extent to which central government expects success during the period covered by the sixth plan. Unanswered questions remain: How many of the outlying centers can attract viable economic activity? Is a country-wide area development strategy more productive than one which limits targets to the most promising secondary cities and rural regions? Can investment actually occur at the scale intended, and be coordinated? Are there enough people and funds to do the job?

IV. The Case of Indonesia

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IV. The Case of Indonesia

I. Introduction

Indonesia has embarked on a national effort to improve living conditions in places that are already urbanized. Explicit focus on upgrading and corrective action for existing cities distinguishes this program from those of other countries where the central concerns have to do more with accommodating future development in newly, or not-yet urbanizing areas.

Indonesia's program is extensive and ambitious. It includes the primate city of Jakarta, nine other centers with populations over 100,000, 40 cities 50,000 - 100,000 in size and 150 smaller towns. Secondary cities, in the sense that many smaller than Jakarta are included, play a prominent role in the program, and the special problems of these smaller centers are the object of considerable attention. It would be inappropriate to term the Indonesian effort other than a broad-scale "urban improvement" campaign in which both smaller and larger urban areas have been selected to share priority for assistance.

The term "priority" must be stated in relative terms. Although the targets of assistance are numerous, they are far fewer than the country's estimated 3,000 - 4,000 "urban" communities, and they have been expressly designated for treatment within the country's present (1979-84) five year plan (Repelita III). Indonesia has chosen to be explicit about its urban development priorities, although it is unlikely that the program can be fully implemented at the prescribed scale during the plan period.

Indonesia faces formidable obstacles in establishing basic minimal standards of public health and shelter in its cities. Urban economic development objectives for secondary centers, and to some extent even for the chief cities, are so long range that -- while still expressed in planning documents -- they rank in priority below that of progress in meeting basic human needs. Indonesian authorities are frank to admit that a leap of faith is required to anticipate urban economic development as a consequence of the investments currently programmed. Perhaps it will occur in some places. They hope so, but have no forecast as to how, or whether, it will actually be achieved. The authorities believe that urban economic growth will be negligible without prior amelioration of the distressing physical and social conditions that characterize so many cities and towns. Indonesia's urban program is remedial above all.

Several aspects of the Indonesian program merit comment, because of their wider relevance to the issues of secondary city expansion in the developing world.

A. Institutional Framework

Indonesia has established an institutional framework for planning and implementing urban development outside of Jakarta which seems to overcome many of the organizational obstacles faced by other countries. The institutional setting has its own problems, largely of capacity, but in principle it affords a good model for structuring national/local relationships to meet targets of decentralized development.

B. Planning

Physical planning, at all scales, is well regarded in Indonesia. National planning serves as the basis for the investment program. Regional planning and city planning have been practiced in one form or another for over twenty years. Indeed, Indonesia has experienced or tried just about every type of planning including land use planning at the secondary city scale. The results have been disappointing, to a great degree because past physical planning approaches proved far too detailed and too difficult to implement under Indonesian conditions. Nevertheless, the Indonesians continue to respect the practice of city planning, even as they evolve a more pragmatic and limited role for it.

The actual significance of that role may well be less than is depicted in formal position papers by government authorities. As one foreign observer put it: planning for the Indonesians can act as a "black box" promising orderly rational solutions, but masking what are essentially political, ad hoc decisions in investment allocation at every level. Whether Indonesia's commitment to planning is more or less wholehearted, the fact remains that government at all levels requires planning be done.

Over time the principles of planning at the secondary city scale have become extremely comprehensive and plans have become much more generalized. Emphasis is no longer on long range, idealized patterns of urban growth. To the contrary, five year investment plans and annual programs are demanded. Although not yet there, plans for secondary cities in Indonesia are definitely headed in the direction of becoming five-year capital budgets, if and when increased levels of capital investment actually become available.

C. Training

Training for the performance of planning enjoys a higher priority in Indonesia than in most developing countries. Extending back to 1959, when the planning program at Bandung Technical Institute was established, formal university-level

training in planning has been offered in Indonesia. In addition, an extensive variety of short courses and on-the-job training situations exist under sponsorship of several institutions. USAID, furthermore, in association with a special continuing program of the Ministry of Home Affairs, has recently made a \$ 9.5 million commitment for technical assistance support to eight regional training centers. These will have short courses and extension programs. The "comprehensive" approach of the training activity reflects current policy of the Indonesian government. One aspect of the training effort is to expose mayors, governors, and other decision-making officials to the principles and techniques of planning in the expectation that understanding will lead to applications.

D. Urban Land

The use and availability of urban land represents an important focus of planning activity at the city scale. The problem is, however, that basic cadastral records and accurate maps are minimal. Ascertaining ownership of sites is a more serious obstacle to project development than land acquisition procedures. Those procedures are reasonable, and funds are generally available for high priority projects. The system works with difficulty, however, because information required as basis for negotiation or expropriation is just not there. The conditions pertinent to assembly of urban land point up the obstacles facing Indonesia and the long and uncertain road ahead, despite a reasonable approach to planning and implementation of urban development.

II. Basic Background

Indonesia is one of the most populous countries in the world, (over 145 million in 1980) with a low per capita annual GNP of about \$ 415. Success in exploration and exploitation of oil notwithstanding -- the country is one of the biggest petroleum producers outside the Persian Gulf -- Indonesia must deal with endemic problems of rural and urban poverty and, in the case of Java, some of the highest rural densities in the world. The archipelagic character of Indonesia (over 13,000 islands) and the multitude of ethnic groups contribute to the country's difficulty in establishing both political unity and economic development.

Urban population is about 31 million, representing close to 22 per cent of the total and increasing at the rate of 1.2 million annually. Apart from the 6 million people living in primate Jakarta there is actually a fairly good distribution of urban population among many large and small cities. This may be function of the multitude of populated islands requiring their own "regional" distribution and administrative centers. The ten largest cities account for about 55 per cent of the urban population.

While many countries have emphasized rural development strategies to keep population on the land, the extraordinary density and rapid population growth of Java have led both the national government and international assistance agencies (not normally supportive of urban development) to consider increased population growth and economic development in cities as a desirable objective.

Urban areas suffer from high unemployment and serious deficiencies in basic infrastructure to accommodate even their present levels of development. The World Bank's analysis leading to its Third Urban Project noted the following conditions:

1. Less than one-third of the population has access to reliable, safe water supply.
2. Only four cities have even rudimentary sewerage systems for portions of their population.
3. One-fourth of the urban population has no means of sanitary human waste disposal other than dumping into watercourses, and only 17 per cent have sanitary latrines.
4. Almost 60 per cent of urban dwelling units are in impermanent structures.
5. Infant mortality is at a high 126 per 1,000.

Many of the basic life support issues come together in the physical setting of the urban kampungs where most of the city population live, whether in Jakarta or Denpasar. The kampungs are essentially rural housing transplanted to an urban setting, family-built at extraordinarily high densities. Typically using bamboo-mat walls and red tile roofs laid on bambao framing, the dwellings on squatter land are indistinguishable from those on plots which the occupants own. The kampungs spread directly to the edges of roads and footpaths and even into watercourses. When financial conditions do improve for the occupants the bamboo walls give way to brick, and "permanent" structures are erected in the same tiny, crowded spaces.

Indonesia has chosen to live with the urban kampungs because to do otherwise would be sheer folly. They are accepted as the basis for urban settlement and their dominance as a mode of living has directly shaped the "remedial" or ameliorative character of Indonesia's urban development program — especially that in the secondary cities and smaller towns.

III. The Institutional Framework

Urban development and management in Indonesia are primarily the responsibility of two ministries -- the Ministry of Home Affairs and the Ministry of Public Works. Various agencies within these ministries along with allied parastatal organizations and the provincial and local

levels of government (whose heads are appointed by MHA) perform phases of the work. Investments are made by other ministries (e.g. Health and Education) but the two ministries cited are the major forces in urban development. They have established coordination mechanisms which in both principle and practice permit easy communication and effective control.¹

In recognition of the system's relative effectiveness, several international institutions — the World Bank, the Asian Development Bank, the Netherlands Government, UNICEF, USAID -- are funneling substantial support for urban development through one or the other of the two ministries.

Indonesia's urban development program channels central government investments into specific localized projects, supported in some cases by additional funds and technical assistance from international agencies. Local funds play a relatively small role in the project finance, mainly because most local jurisdictions do not have such resources. Although central government is the source of most capital investment funding included in local budgets, those communities which do have some revenue capabilities are encouraged to undertake certain investments with loans from central government.²

Although the funding is mainly central, there is local participation in several aspects: project identification, scoping and planning, site selection and acquisition, all where there is some measure of capability in local government. This varies considerably across the nation. Local participation and, ultimately, local responsibility for implementation within the framework of continued central control are clearly the objectives of the two "planning" ministries. Indonesia intends to maintain the primacy of central government, but to devolve as many planning and implementing responsibilities as possible to local levels of administration as their capabilities improve and are tested.

One example, striking indeed among centralized developing countries, is the method of appointing the chief executive officer of cities, i.e. the mayor. Provincial governors are direct appointees of the Ministry of Home Affairs, largely from a professional administra-

1. The situation in Jakarta, where a strong metropolitan agency operates along with local government and central ministries, is somewhat different from the rest of the country. Because Jakarta's circumstances are unique, they are not discussed here. The present commentary deals with the system applicable to the other cities and towns.
2. Many of these loans are for water supply where local water authorities charge consumers. They are "subsidized" in the sense that the money can be repaid, free of interest, over a 20-year period. Some loans bear two to four per cent interest, and loans for revenue-generating facilities such as markets, can go as high as 8 per cent. The latter have been relatively few, however.

tive/political cadre as in many other countries. Mayors are also appointed, but with a particular sensitivity to local circumstances.

Municipal (kota) councils are elected by popular vote. Once elected, the councils make three nominations for mayor to the MHA. The candidates can come from the council itself or from outside, e. g. local businessmen, doctors, etc. MHA makes its appointment from among the three nominees or, if none is acceptable, requests the council to offer additional names. Thus, the chief executive, while responsible to MHA, is a local figure with strong ties to the community and its institutions.

A principal means of maintaining these central/local links lies in the chain of planning and implementing agencies with counterparts at each relevant level. For example, BAPPENAS is the national planning agency under the Ministry of Home Affairs. It is the key instrument in setting priorities for national, provincial and local investments. Its counterparts are BAPPEDAS at the provincial, BAPPEMKAS at the county, and BAPPEMKOS at the municipal, levels. These planning agencies theoretically provide both long and short term planning advice for their respective jurisdictions.³

Similarly, other central government departments in most ministries and agencies have parallel (and reporting) divisions at provincial, city and county levels.

Indonesian administration is so tightly organized that even within a city there are levels and sub-levels of institutions, down to the neighborhood and block. This provides both communication and control (since party membership is a factor in the organization) and has proven particularly effective in obtaining neighborhood resident participation and support for the kampung improvement programs. Indeed, it is our opinion that without this highly decentralized administrative/participatory apparatus the very substantial successes of the KIP's could not have been achieved.

The "system" is tested once each year when the annual city capital investment program is determined. A city begins by formulating its capital expenditure program and elements of its operating budget. In practice the Ministry of Public Works' planning division helps the local council and mayor formulate the capital works request within the framework of a five-year development plan, where one exists. This consolidated capital budget request (termed the DIP) is then ratified by the

3. The kabupaten, or county, is an important level of government in Indonesia between the province and the city or town. While the planning agencies are part of every level of subnational government, they have not actually been established throughout the country. Many are neither staffed nor operating effectively. It is an ultimate national goal, however, to have them operating nationwide.

local council and forwarded to the Ministry of Home Affairs. Similar budget preparation is conducted at the county and provincial levels.

In October or November each year BAPPENAS conducts a marathon series of meetings in Jakarta with provincial governors, public works, and other agencies as required. They review all provincial and local project requests. During the review all the local DIPs are matched against BAPPENAS' understanding of national priorities and resources available for the coming year. Out of these meetings, BAPPENAS then approves a batch of DIPs, e.g. capital project allocations, for all executing jurisdictions. These become the actual project budgets for the subsequent year. The intensive and compressed nature of these annual reviews suggests that political and other non-technical considerations may figure in final decision-making. Indonesian officials contend that the system works.

That it works as well as it does is to a great degree a function of the consolidation of urban development responsibilities in two bodies responsible to the Minister of Public Works (Cipta Karya and Perumnas) and to the "informal" close cooperation that has been established between Public Works and the MHA. In our opinion, the results would be less promising in situations where such consolidated responsibilities did not exist and where the more usual competition and tension between operating agencies and an interior ministry prevail.

A. Public Works Responsibility: Cipta Karya

The consolidated urban development responsibility is demonstrated by Cipta Karya's name in English, "Directorate General of Housing, Building, Planning and Urban Development". It performs in all these capacities and more, under a strong general director who is himself responsible to a strong minister dedicated to the urban development concept. Cipta Karya has been operating for over a dozen years, and its performance goals (for work in 10 major cities, 40 smaller cities and 150 towns) have been spelled out with corresponding budget allocations in the five-year Repelita III of 1979-84. These goals include the following construction responsibilities, executed by divisions of the agency:

1. Kampung improvements, the upgrading and reconstruction of 150,000 units
2. Urban water supply
3. Basic sewage disposal and treatment
4. Drainage improvements
5. Solid waste removal and disposal.

All of these are to be executed at minimum standards to focus on meeting basic human needs. For example, the target for the water supply program is to provide safe drinking water for 60 per cent of any given city's population at a flow level of 60 liters per person per day. The operational objective of the water supply program, as with each of the other components, is to link its performance with those of the other elements in the Cipta Karya package within a given city. That is to say

improved water supply would occur simultaneously with improvements in sanitation and solid waste disposal as rehabilitation in the selected neighborhoods proceeded. Cipta Karya has other operational responsibilities as well, e.g. in rural housing and building materials research and demonstration, but the urban development activities cited above represent its major consolidated urban programs.

A strong planning framework for selection of target cities and identification of the project mix in each city is established by Cipta Karya's Planning Division. This division also provides technical support to provincial and local planning agencies throughout the country. It is this division which also works laterally and informally with the various agencies of the Ministry of Home Affairs who have responsibility for planning and development program approvals. MHA's own Planning Division will also be responsible for preparing some form of national and regional physical development plans into which all local planning and development programs are intended to fit. Cipta Karya maintains particularly close relations with that division.

CK officials term the tasks of their own planning division those of a "planning kitchen". The term "planning kitchen" essentially means a license to improvise, to establish some form of longer term rationale and conceptual coordination for a series of project actions which need to be related to one another in space and over time.

...a task for (the division) itself in this planning field will remain support and guidance. It will develop standards, norms and systems for town and area planning to be laid down in models and manuals.

DTKD being the planning kitchen must leave the planning-programming-budgeting for the implementation itself to the central and local agencies within and outside Cipta Karya, who have ultimate responsibility for the spending of the budgets. Urban implementation programs, feasibility studies of regional projects and the like have to be conducted by them. However, since appropriate planning consists of a cyclical process, feedback is needed from the implementers towards the planners.

Various supporting activities will be conducted in Repelita III to improve the planning output and its instrumentation. Data collection and processing as well as mapping will be improved. Planners of the central and local government will be trained. Local consultants will get extra support. Legal regulation will be updated. Procedures will be simplified. Coordination mechanisms will be strengthened.⁴

4. "The Directorate General of Housing, Building, Planning and Urban Development Programs," Repelita III, October 1979, pp. 12-13.

B. Housing: Perumnas

Perumnas is the national housing corporation. It is a parastatal organization established to build conventional housing for low and moderate income families throughout Indonesia, and to execute sites and services projects in association with Cipta Karya's urban upgrading activities. It has a construction target of 150,000 units during Repelita III, and is currently producing at a level of 20,000 units per year. Perumnas projects are now under way in approximately 30 cities. Each development is planned for a minimum of 200 units to achieve economies of scale, and the agency is gradually moving toward development of such larger housing estates and "new towns", with allied commercial and industrial enterprises. A quasi-independent corporation, Perumnas works extremely closely with Cipta Karya, especially its planning division.

Although other ministries have construction responsibilities in the cities of Indonesia, between Cipta Karya and Perumnas -- both reporting to the same minister -- the government has been able to consolidate responsibility for the principal tools of its urban development program.

C. International Agency Interest

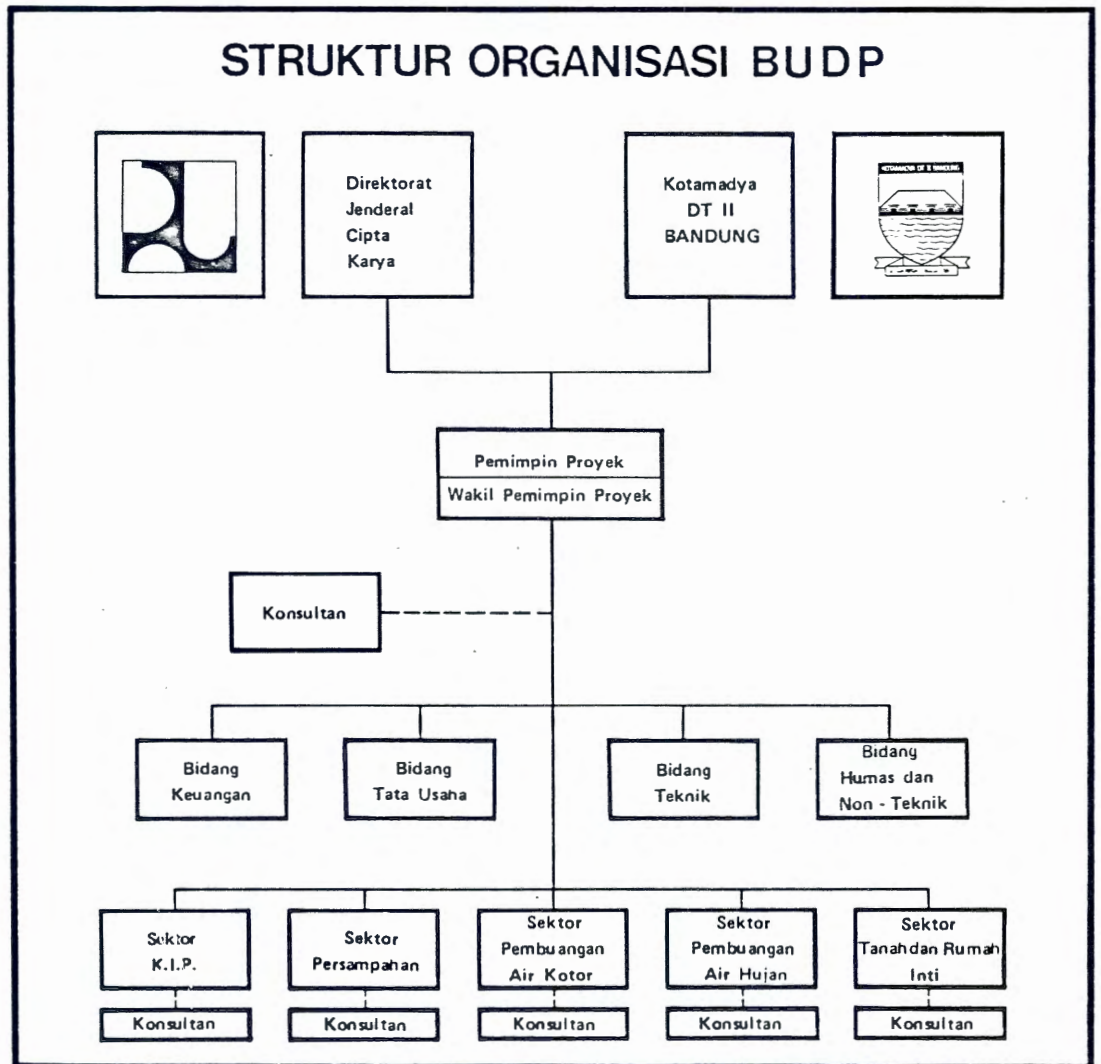
Urban development activity in Indonesia has become a particularly attractive focus for international agencies. They are drawn both by the magnitude of the task and by the integrated approach practiced by the government. The concept of packages of projects guided by some form of over all planning strategy at both the national and city levels bears promise of success. Thus, financing and technical assistance are being provided in a number of communities by the World Bank, the Asian Development Bank, UNICEF, and the Government of the Netherlands. The Dutch are, moreover, providing over all technical support to improve the management of Cipta Karya itself.

D. The Bandung Model

An urban development system for Indonesia's cities is in place and numerous individual projects are in progress. It is a sign, however, of the formidable resource obstacles, that while there are many plans, water projects, kampung improvements, etc. throughout the country, only in Bandung is there a fully operational program with all the elements in place. A second is close to being established in Medan.

The results and organization of the Bandung project are truly remarkable. Bandung is Indonesia's third largest city, with about 1,300,000 people in 1980. It has serious problems of public health and access to services.

In keeping with Cipta Karya's philosophy toward planning guidance, an over all urban development plan for Bandung was completed in 1977. It had a 20-year time frame, yet spelled out short-term projects for upgrading neighborhood facilities and services. The plan was prepared by outside consultants under Asian Development Bank funding. Solid



Source: Bandung Urban Development Project

support was obtained from the municipality. Within relatively short order a \$32.5 million loan commitment was obtained from the ADB along with Indonesian funding to initiate the pilot development program. It is multi-dimensional in character and has the following basic features:

1. Organization

The main urban improvement program for Bandung (Dewi Sartika) is totally managed by a single agency which is a merger of Cipta Karya and the Municipality. (See chart.) This permits a streamlined implementation approach, and is another example of how cooperative linkages between governmental entities can be achieved under the Indonesian system. The Bandung organization is held up as a model, because it is Cipta Karya's long-term objective to foster coordinated implementation at the local level — recognizing that central operations are just not possible in a country so vast as Indonesia. In doing so, CK is prepared to consolidate its local operations with municipal agencies.

Under Indonesia's basically interlocking form of government, such mergers become possible. A single program director is, in the case of Bandung, responsible both to the mayor and CK. He is supported by a complement of foreign advisers who serve as counterparts to him and to Indonesian planners and engineers with individual task responsibilities.

Along with a merger of personnel, the program has produced a pooling of funds from national, provincial and local government as well as the ADB loan. (See chart.)

2. Project Activity

The Bandung effort applies the full variety of programs which CK has available:

a. Kampung Improvement

Centerpiece of the effort is kampung improvement in three cities with a population totalling 100,000. Already well under way, the KIP has installed drainage, sidewalk and roadway improvements, bridges, footpaths, health, education and social services centers and sanitary core units serving groups of houses throughout the designated districts. An observer is struck by the apparent direct effects of these improvements on upgrading of individual dwelling units. Throughout the area, residents have begun to transform bamboo huts into permanent brick and tile-roofed structures. A permanent settlement, complete with tiny gardens, is being created out of former slums.

Budget for the Bandung Urban Development Project

In million rupiahs

Project	Total	GOI	PROVINCE	KOTAMADYA	ADB.
KIP	2.2	0.80	-	-	1.22
Sewerage	8.63	2.20	0.43	-	6.00
Solid waste	4.70	-	-	1.61	3.09
Drainage	1.57	-	1.07	-	0.50
SSCH	8.25	4.75	-	-	3.30
TOTAL	25.17	7.95	1.50	1.61	14.11

b. Drainage

In order to improve storm drainage in the kampungs themselves, the program has to install channelization over a much wider area. These projects are affecting a total population of 200,000.

c. Sewerage

The same broader treatment requirements apply to sewage disposal. Project construction is affecting areas where 400,000 people are living.

d. Solid Waste

There is very little solid waste collection and disposal in Indonesian cities. Bandung's pilot efforts call for a collection system and landfilling that will ultimately service 900,000 people, i.e. most of the city. The project has begun by distributing sanitary containers in the kampungs already improved and setting a regular collection schedule. Specifications have been designed for new collection vehicles and a location for a sanitary landfill has been identified.

e. Sites and Services

To relocate families displaced by the KIP and other improvements, the program has identified a 106-hectare site at the edge of the city. Altogether some 7,600 households will be relocated or settled on the land.

f. Conventional Housing

Although not a formal part of the Dewi Sartika program, Perumnas housing is being built in Bandung as well. Several hundred units are completed or under construction. Operations are being coordinated closely with the program manager.

Taken together, the various projects demonstrate a major national commitment to the upgrading of Bandung. That it is still the only city in which the full array of urban improvement projects are being applied, within the framework of a plan, indicates how far Indonesia must yet go to reach its national urban development targets.

E. The Urban Land Question

Urban land acquisition conditions in Bandung are generally representative of those throughout the country.

Ongoing work in Bandung is but the first phase of a long-term development effort to be conducted under the guidelines of the general plan. With the exception of Perumnas housing and sites and services, most of the current work is, like the Cipta Karya activities in other cities, essentially remedial. It involves negligible land acquisition requirements.

As yet, however, the 106-hectare sites and services component has not been implemented. To a great degree this is due to difficulties in acquiring the project site. Subsequent phases of the program which involve acquiring rights-of-way for roads and a site for a sewage treatment plant, are also in danger of delays for the same fundamental reason.

The problem is twofold and prevalent throughout Indonesia.

1. Ownership Pattern

Land holdings in and around Bandung and other Indonesian cities are extremely small, i.e. two to three hectares on the average. Thus, the area selected for sites and services may have as many as 30 different owners. Although the government has the power to expropriate land, it is reluctant to use it. Negotiation is the preferred technique of acquisition, but a time consuming one. The project has a land negotiation staff of local people who have apparently established good rapport with area residents. The site is still far from being wholly assembled, however, and project officials are extremely concerned about the prospects for next-phase activities whose land assembly requirements are considerably greater.

2. Basic Records

The cadastral situation is quite poor throughout Indonesia. Few accurate land ownership maps and other records exist. Even if expropriation were favored, under present circumstances in Bandung and elsewhere it could not work effectively. Part of the acquisition process, and one of its time-consuming factors, is the need to ferret out through informal contacts who does own which property. Then come the purchase negotiations. International assistance is attempting to address this serious impediment to progress. Part of the World Bank's present loan activities are focused on improving the cadastral situation and urban mapping in general. Nonetheless any major resolution will be a very long time in coming.

Nationally Perumnas has the most extensive land requirements of any component of the urban development effort. It builds new housing on sites of 10 hectares or larger. Perumnas attempts to deal with the fundamental difficulties by requesting that the local mayors and planning agencies designate three or four alternative sites which meet their

project requirements. Perumnas projects also have maximum land price limits, which are often quite low because of the target groups to be served.

Where local area master plans are available these serve as guides to site selection, along with information from Cipta Karya and the local planning agencies on availability of water systems and other utilities.

Once candidate sites have been suggested, Perumnas does detailed feasibility analyses and makes the selection. It then turns the acquisition process over to the local jurisdiction's land purchase committee which conducts negotiations. Given the basic price limitations and the problems with ownership identification, Perumnas officials contend that too many of the final sites are at the far periphery of urbanized areas. This has often resulted in higher costs for extending infrastructure, lack of commercial and other services to the sites, and long distance commutation for some residents. Perumnas hopes to alleviate some of these problems by building complete new communities with commercial and industrial areas as well as residential, but the fundamental land acquisition problem will be even more serious for such sites unless they are confined to government-owned land.

IV. Physical Planning in Indonesia

Physical planning at the city scale is valued in Indonesia and is a tradition dating back to the Dutch occupation. Unlike many other countries where physical planning has been employed perfunctorily or by instrumentalities with peripheral relationships to decision-making, planning in Indonesia is taken seriously as a guide to urban development. The manner in which planning activity is conducted and its principles are of particular interest.

During the Dutch period a succession of planning laws were enacted. The final piece of legislation, just before Independence, has still not been replaced. That was an omnibus act dealing with detailed prescriptions for city master plans and the establishment of building codes.

No subsequent "Indonesian" planning legislation has been adopted, although presidential decrees have endowed the Ministry of Home Affairs with responsibility for plan approval, and MHA has continued to formulate new legislation (which will, presumably, be submitted next year).

In some respects the situation has led to confusion, but the fluidity and lack of definition has also permitted two extremely beneficial conditions to occur.

An informal cooperative association has materialized between MHA as the approving/oversight body and the planning arm of Cipta Karya. CK provides technical assistance in planning for city, county and provincial government throughout the country. For all intents and purposes though, both it and the MHA are committed to building up the capacity

SITUATION IN THE MID SIXTIES IN INDONESIA

CONVENTIONAL MASTER PLANNING FOR CITIES

1. HEAVY IN PHYSICAL PLANNING
2. LONG RANGE PERSPECTIVE, MOSTLY 20 YEARS OR MORE
3. GENERATED BY SPATIAL PLANNING AGENCIES
4. NOT DIRECTLY RELATED TO THE RESOURCES AVAILABILITY OF THE CITY
OR EVEN NATIONAL RESOURCES
5. PRESENT THE MOST IDEAL PICTURE OF THE FUTURE CITY
6. IMPLEMENTATION OF THE PLAN IS USUALLY VERY SLOW DEPENDING ON
THE ACTUAL RESOURCES AVAILABLE
7. RAPID CHANGE IN THE CITIES OF THE DEVELOPING COUNTRIES IS
DIFFICULT TO PREDICT
8. CAUSE FRUSTRATIONS AMONG THE PEOPLE
9. URBAN PROBLEMS REMAIN UNSOLVED AND BECOME MORE SEVERE
10. MANY AD HOC DECISIONS WITHOUT CLEAR URBAN DEVELOPMENT STRATEGY

NEW APPROACH SINCE SECOND FIVE YEAR PLAN (EARLY SEVENTIES)

FEATURES OF URBAN DEVELOPMENT STUDY

1. FORMULATE AN URBAN DEVELOPMENT STRATEGY
2. FORMULATE URBAN DEVELOPMENT PROGRAM (LONG RANGE)
3. FORMULATE FIRST PHASE URBAN DEVELOPMENT PROJECT
4. INVESTIGATE ECONOMIC AND FINANCIAL FEASIBILITY
5. PROPOSE INSTITUTIONAL SET UP FOR IMPLEMENTATION
6. PRELIMINARY ENGINEERING DESIGN
7. RECOMMEND FIRST PHASE PROJECT :
 - SCOPE OF THE PROJECT
 - COMPONENTS OF IMPROVEMENTS
 - ESTIMATE OF TOTAL COST OF THE PROJECT
 - ESTIMATE FOREIGN EXCHANGE COMPONENT FOR POSSIBLE
FOREIGN AID FUNDING
 - RECOMMEND FINANCIAL ARRANGEMENT BETWEEN GOVERNMENT
AND DIRECT BENEFICIARY OF THE PROJECT
 - TECHNICAL ASSISTANCE PORTION TO BE INCLUDED
 - OTHERS

FORMULATION OF URBAN DEVELOPMENT PROGRAMS

1. MORE BALANCE PHYSICAL AND ECONOMIC-SOCIO PLANNING
2. IMMEDIATE AND SHORT TERM PERSPECTIVE, 5 YEARS PROGRAM
3. COOPERATION BETWEEN PLANNING AND IMPLEMENTATION AGENCIES
4. DIRECTLY GEARED TO THE RESOURCES AVAILABILITY OF THE CITY
AND HIGHER LEVEL GOVERNMENTS
5. PRESENT THE MOST FEASIBLE SOLUTIONS TO THE CITY'S PROBLEM
AND ACHIEVEMENT OF THE CITY'S WISHES
6. IMPLEMENTATION CAN BE WELL PROGRAMMED ACCORDING TO THE RE-
SOURCES WHICH CAN BE MOBILIZED
7. DIRECTLY RELATED TO IMPROVING THE PRESENT URBAN SETTLEMENT
CONDITION AND ENVIRONMENT THROUGH GOVERNMENT INTERVENTION
8. STIMULATE PUBLIC PARTICIPATION AND AWARENESS
9. SOLVE PHASE BY PHASE THE CRITICAL URBAN ENVIRONMENTAL PRO-
BLEMS AND PREVENT CONDITION BECOMING WORSE
10. URBAN DEVELOPMENT IS GUIDED AND PROMOTED THROUGH GRADUAL
BUT POSITIVE CHANGE

and long-term responsibility of the subnational planning bodies. Until that occurs, the meshing of interests and approaches of the two central government agencies with planning concerns leads to a relatively straightforward process of plan formulation and approval. In a country as large and complex as Indonesia, a more rigid, bureaucratic structure could stifle the planning process.

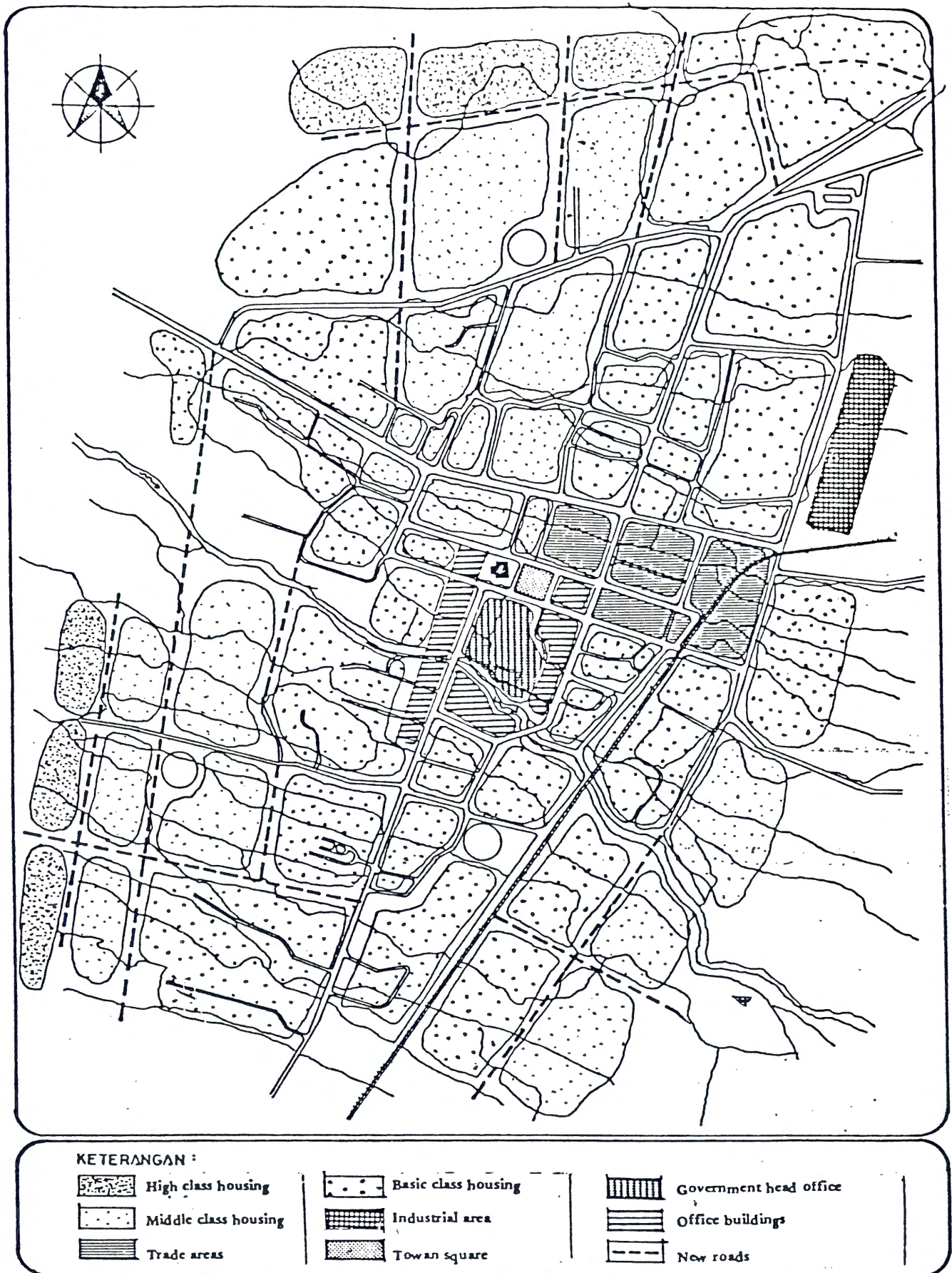
Substantive approaches to "planning" have evolved in Indonesia in response to real world circumstances. Free of any bonds under specific, legislatively mandated requirements, CK and MHA have been able to experiment and improvise in the search for planning instruments and concepts which fit Indonesian conditions.

Until well into the 1960s, the conventional detailed physical master plans, along lines spelled out in the Dutch legislation, were the mode. These were for 20-year planning periods. The documents were elaborately presented, displaying an idealized picture of a future city. They were prepared by both Indonesians and outside consultants. Shortcomings of these instruments are portrayed on the accompanying chart prepared by the Head of CK's Planning Division for an international conference. They were essentially inapplicable to local circumstances and produced considerable frustration. Many such master plans were prepared and are still in existence.

Approximately the same approach was being utilized in larger area "regional" plans for provinces or sections of the country prepared by foreign consultants under various technical assistance missions. These large tomes, full of data and prescriptions, were turned over to Indonesian officials who ultimately concluded that they could not be implemented.

The new approach, tested in Bandung, Medan and a number of smaller centers is one of short-term, integrated "comprehensive" planning. The land use prescriptions are generalized. Emphasis falls on identification and linkage of projects that can realistically be accomplished during a five-year period. The two charts which follow summarize the approach: data gathering and analysis where possible, consideration of social and economic as well as physical issues, directed toward short-term problem-solving, and tied to implementable projects. The emphasis is on urban -- and where relevant, regional -- development, and more directly on guiding the array of remedial actions cited earlier which represent the national investment tools available to Cipta Karya and other agencies.

The generalized land use plans being prepared as part of this activity are largely along the lines of the "general framework" map for Cianjur which follows. Cianjur is a small city of 50,000 between Bandung and Jakarta. It was recently the site of a special international conference called by the Bandung Institute of Technology and Bouwcentrum of the Netherlands to discuss planning for smaller cities. The Cianjur plan established generalized locations for housing, commercial, and other activities along with the principal road system for the community.



Source: Sudirahardja, A., "Development Prospects and Programs for Cianjur Town", 1981.

Within this generalized framework, the Indonesians now prepare detailed land use and facilities plans only for those areas such as kampungs, where major improvements are to take place within a 5-10 year period.

Thus urban plans have become both more generalized and more project-oriented. At the same time, the Indonesians are seeking to place these plans within a larger framework. There is a commitment to prepare a "national" physical plan treating over all distribution of population and resources, and regional plans on provincial and county levels into which these new efforts at comprehensive local planning will be fit.

Given Indonesia's personnel and budget capabilities it will probably be some time before substantial work on these larger level planning instruments is in hand, but the objective has been established.

It is also probable that a good deal of the "comprehensive" planning now encouraged by CK and MHA will not find its way to implementation, given the realities of available resources. Although the sights are now set toward more realistic assessments and recommendations, the fact that Bandung alone has the full complement of planning and execution techniques suggests that these newer approaches may be very long in coming to all the 200 cities and towns in CK's Repelita III target group. The new comprehensive planning approaches appear far more realistic than the conventional master plans they replace. Even so, they may prove too cumbersome and optimistic for the system to absorb.

Indonesian officials responsible for planning approvals and planning assistance are, if anything, pragmatic. Knowing that actual urban development actions will be small in relation to need, they are nonetheless committed to establishing, on a nation-wide basis, a framework for rationalizing these actions. Those currently in charge are fully aware that comprehensive planning will, for the foreseeable future, be beyond any given community's ability to implement. Nevertheless they want these frameworks in place, at the same time as they want functioning planning agencies at the provincial and county levels, in the event that the limited, remedial urban development improvements under Repelita III do lead to economic and physical expansion at a larger scale.

Comprehensive planning is in this sense "contingency" planning with enough linkage to the reality of specific, albeit modest, investments to ensure its utility. Perhaps some of the Indonesian planners harbor nostalgic feelings for the old-style master planning they were once trained to do. Perhaps there remains some residual inspirational quality or some mystical reassurance in the "black box". On the whole, however, a much more pragmatic, policy-oriented attitude prevails -- at least in the highest realms of Indonesian decision-making. They want tools and structure in place in the event these are needed. A multi-faceted short-term action plan can reduce the arbitrariness of investment decisions, shape these decisions, and channel their impacts. It is a better plan than a rigid "master" scheme lacking realistic means of implementation, and it is a better instrument than no plan at all.

VI. Training

Indonesia is following through on its commitment to more flexible, project-oriented planning by engaging in a major training effort, assisted by USAID and other international agencies. The training is taking place in context of a broader attempt to make thoroughgoing improvements in urban management throughout the nation.

Education for urban planning in Indonesia has a long tradition, stemming from establishment in 1959 of an undergraduate planning program at the Bandung Institute of Technology. The program was started under United Nations sponsorship, with a number of foreign faculty over the years. It has produced over 200 graduates. Many of these are now in responsible positions at MHA, CK and other agencies. Three Indonesian universities now offer degree programs in the field, and are adapting the content of these programs to reflect the "comprehensive" short-term approaches advocated by the national government.

In addition to the formal degree programs, there are a number of short-term training opportunities both within Indonesia and abroad. The MHA has a training arm, Badan Diklat, responsible for a wide range of short courses dealing with urban management and planning. Under it are eight regional centers in varying stages of organization distributed around the country. The University of Birmingham in England has a continuing program which many Indonesians have attended. Several have participated in short-term courses at the World Bank's Economic Development Institute, AID's Washington Shelter Training Workshop, and the Institute of Social Studies in The Hague. Cipta Karya also has a training arm which conducts periodic training activities.

These training opportunities notwithstanding, Indonesia has too few planners to meet its own perceptions of near-term need for resident staff in provincial, county and city planning agencies. The government has embarked on an ambitious program to fill the gap.⁵ That gap is, according to a USAID-assisted study, over 7,000 people.

The Ministry of Home Affairs and USAID have committed themselves to prepare programs and to staff four of the regional centers on a continuing basis. USAID is providing faculty and technical advisers for the first of the four centers (in Jogjakarta) along with a \$ 7 million grant and a \$ 2.5 million loan. The Indonesian government is itself providing \$ 2.5 million.

5. "A National Strategy for Training in Regional Planning and Management", prepared for Badan Diklat by G. Hansen, S. Holle, and J. Taylor. The term "regional" apparently is used to cover geographical areas of any scale (and all scales) for which physical planning is done.

The principles of the proposed national training strategy are expressed in the study report:

The proposed national training strategy is based on an assumed set of functions and critical tasks in planning and management which the BAPPEDAS should perform. These functions and tasks are crucial if the BAPPEDAS are to assume their mandated responsibility for coordinating the line departments in formulation and implementation of regional development plans and programs. These planning and management tasks involve a process or sequence of activities which range from a description of existing conditions and trends, an appraisal of regional development problems and needs, formulation of development goals and objectives, an evaluation of alternative long-term development strategies, to the development of annual action plans and programs, and finally the monitoring and evaluation of plan implementation. It should be emphasized that in combination these tasks make up a process which is both continuous and cyclic.⁶

The objectives of the strategy are to produce planning personnel capable of making "well-formulated and implementable" plans for physical improvement and development of areas at each relevant scale. The Indonesians' current goals are expressed in the precise definition of "well-formulated and implementable".⁷

1. Indication that the planning process is engaging in an assessment of regional resources and problems within the context of identified regional and national planning goals, and that realistic short- and long-term objectives are being discussed and established in achieving these goals.
2. Indication that alternative development strategies for achieving identified objectives are formulated and reviewed in arriving at some logic and rationale in the choice of an optimum or desirable policy approach.
3. Indication that a development strategy is being translated into a coherent and phased set of programs and projects for both a five-year and annual time dimension. The critical component in this process would include an emphasis upon area development and most explicitly on:
 - a. the design of projects and programs which complement and support each other, i.e. a more intersectoral approach to development needs and problems,
 - b. the allocation of resources in some kind of spatial pattern and priority consistent with natural and man-made resource endowments, and

6. Ibid., p. xx.

7. Ibid., pp. 4-5.

- c. the allocation of resources to attain a level of critical mass in time and space sufficient to generate sustainable and tangible social, economic and environmental change.
4. Indication that monitoring and evaluation systems are being designed to acquire and review feedback on project implementation and impact.
5. Indication that attention is being devoted to assuring that adequate administrative resources are being made available for plan implementation.

The training programs themselves will be of several weeks' or several months' duration. They will include on-the-job instruction as well as concentrated periods of classroom activity. If there are more than a single planning "professional" in an agency, the program hopes to train them as a team.

One of the most interesting elements in the training program is a series of seminars for local mayors, governors and officials of public works building agencies on the use of planning and planners. These are geared to creating a receptive and informed market for the planning approach. This is an important feature, for apparently, many planning agencies are regarded as "low prestige" operations, and the government is eager to elevate the perception of planners' importance as well as the planning function itself.⁸

8. Given the apparent problem of acceptance of planning at the local level, it is somewhat surprising that the training prospectus gives very little attention to "political" factors and to the effects of limited resources in discussing the subject matter of the training courses themselves. An ambitious array of technical subjects has been presented, but a program dedicated to preparing Indonesian professionals for real-world responsibilities might provide its participants with some understanding of how development decisions are actually made and how planning activity can occur within such a context. These are lessons that have been learned by the successful planners who lead the national agencies.

V. The Case of Kenya

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I. Introduction

Kenya represents the best example in sub-Saharan Africa of a deliberate and well-documented effort at spatial planning. No other country has such a well-articulated policy, and no other country has received the international attention that has been accorded Kenya. It has been the site of a number of major studies by international donor agencies such as the World Bank (IBRD), the U.S. Agency for International Development (USAID), the British Overseas Development Administration (ODA), and a number of other bilateral donor agencies. Beginning in the early 1970s, Kenya has established what has been referred to as "the most comprehensive and coordinated spatial planning apparatus in East Africa".¹ Yet, questions were raised as to the success of this policy and the ability and, indeed, the willingness of the Government of Kenya (GOK) to implement fully the strategy which has been developed. This report reviews the strategy as articulated in government plans and examines some of the recent efforts to implement its major features, particularly as they relate to the growth, development and planning of secondary cities.²

II. Kenya's Urban System and Rural Development

The efforts of the Government of Kenya to promote rural development and to provide for the orderly development of an integrated settlement system must be reviewed in terms of the urban and regional context of development in the country. Without providing a too detailed analysis of the country's experience during the pre-independence period, suffice it to say that the over all pattern of national development/underdevelopment reflected the interests of a colonial administration and a white settler class. Natural resources were exploited, and a system of administrative headquarters, established so as to promote and perpetuate the interests of a non-indigenous elite. The result was a highly uneven pattern of development. The colonial experience in Kenya "engrained a framework of social and spatial relations and an associated pattern of urbanization which is inherently antithetical to an autonomously controlled and socially just process of development."³

Since independence in 1963, Government of Kenya plans have stressed the need to promote more even development and to redress the spatial imbalance which was part of the colonial heritage.

The distribution of population reflects the distribution of natural resources (particularly fertile soils) and rainfall. Three main

1. Soja and Weaver, 1976.
2. The term "secondary cities" as used in the Kenyan context requires some qualification and explanation. By international standards the secondary cities of Kenya are relatively small and the term is now being applied to settlements with populations of only a few thousand.
3. Soja and Weaver, 1976.

KENYA: PROVINCIAL BOUNDARIES
AND MAJOR TOWNS



Source: Richardson, 1978

areas of population concentration are found along the Indian Ocean coast (centered on Mombasa), in the central highland (around the capital city, Nairobi) and along the shores of Lake Victoria (around the centers of Kisumu, Kakamega and Kisii). The vast majority of Kenya's population resides in rural areas. The sixth most populous country in sub-Saharan Africa with about 15.5 million people in 1979, Kenya has one of the least urbanized populations in the world. Just under ten per cent of the population in 1969 and 12.2 per cent in 1978 was classified as urban (living in towns larger than 2,000).

The settlement system is dominated by Nairobi. Although it contained little more than half million inhabitants in 1969, it was just over twice as large as Mombasa (247,073). Despite its modest size by world standards for capital cities, Nairobi has been the main focus of investment and development even during the periods of the Second and Third National Development Plans (1970-74 and 1974-78, respectively). Only four towns were above 2,000 in 1969. In addition to Nairobi and Mombasa, Nakuru (47,151) and Kisumu (32,431) are the only centers larger than 20,000. The forty-eight settlements with populations above 2,000 are dispersed throughout seven of the eight provinces into which the country is divided. Only the northeastern province had no settlement above 2,000 in size in 1969.

More recent population figures place Nairobi at just under one million (959,000), Mombasa at 401,000, Kisumu at 115,000, and Nakuru at 78,000. Only two other settlements had population greater than 45,000 and, in fact, most had considerably less. Kenya continues to be essentially a rural country with a number of small administrative and agricultural service centers dispersed throughout the country.

In spite of the modest size of its urban centers, Kenya has been experiencing many of the problems of rapid population growth (its estimated rate of increase of 3.4 per cent per annum is among the highest in the world), rural-urban migration, overburdened urban services and an apparent inability of the public and private sectors to provide adequate shelter. These and related problems of development have prompted government planners to begin outlining policies and designing strategies aimed at promoting rural development and decentralizing industrial and urban growth.

The efforts of the government to promote the emergence of regional growth centers and to provide for more orderly urban growth in the national settlement system is particularly interesting in Kenya since, owing to the relatively early start and as yet modest problems in many smaller towns, the prospects for successfully controlling urban growth are still good. The extent to which present plans and actions of the government will succeed still remains to be seen; however, the efforts to date provide a most interesting case study and yield valuable insights into the process of planning for, and implementing, secondary city growth.

GROWTH RATE OF TOWNS OF POPULATION 10,000 AND ABOVE
(IN 1969), 1948-69

Towns	Population			Growth rate	
	1948	1962	1969	1948-62	1962-67
Nairobi	118,976	343,500	509,286	7.9	5.8
Mombasa	84,746	179,575	247,073	5.5	4.7
Nakuru	17,625	38,181	47,151	5.7	3.3
Kisumu	10,899	23,526	32,431	5.7	4.7
Thika	4,435	13,952	18,387	8.5	4.0
Eldoret	9,193	19,605	13,196	6.7	-1.1
Nanyuki	4,090	10,448	11,624	7.2	1.4
Kitale	6,338	9,342	11,573	3.1	3.3
Malindi	-	5,818	10,757	-	9.2
Kericho	3,218	7,692	10,144	6.7	4.0
Nyeri	2,705	7,857	10,004	7.9	3.5
Total excluding Malindi	261,225	653,678	921,626	6.6	4.9

Sources: Population Census, Kenya, 1948, 1962 and 1969. (Quoted in World Bank, 1980)

URBAN POPULATION, BY PROVINCE 1/

Province	No. of Towns (more than 2,000 pop.)	Urban Population	Percent Urban
Central	6	45,855	2.7
Coastal	7	36,579	5.2
Eastern	7	37,965	2.0
North-Eastern	0	0	0
Nyanza	4	43,829	2.1
Rift Valley	19	148,576	6.7
Western	2	10,645	0.8

1/ Excluding Nairobi and Mombasa.

Source: Population Census, Kenya, 1969. (Quoted in World Bank, 1980)

Table 3 : DISTRIBUTION OF TOWNS AND THEIR POPULATION BY
POPULATION SIZE, 1962 AND 1969

Population Size	1962		1969		Growth rate of towns in the size class in 1969 <u>1/</u> % per year
	No. of towns	Total Population (in 000's)	No. of towns	Total Population (in 000's)	
100,000 and over	2	523	2	756	5.3
20,000-100,000	2	62	2	80	3.6
10,000-20,000	3	44	7	91	2.8
5,000-10,000	11	70	11	71	5.8
2,000-6,000	16	49	26	82	5.4
All towns	34	748	48	1,080	5.0

1/ Growth of the same set of towns in 1962 and 1969.

Sources: Population Census, Kenya, 1962 and 1969. (Quoted in World Bank, 1980)

III. Spatial Planning: Promise and Performance

The past decade has seen a shift in emphasis in Kenyan development plans and policy statements. The over all direction of this shift has been toward an emphasis on rural development and the promotion of growth centers other than Nairobi and Mombasa. The Second Development Plan (1970-74) outlined the role of smaller towns and service centers in promoting rural development and called for steps aimed at creating an integrated settlement hierarchy consisting of four tiers: urban (150,000 catchment area population), rural (50,000), market (15,000) and local centers (5,000). Over 1,000 centers were designated as part of the settlement system, and it was proposed that all "Ministries, Local Authorities and other development agencies...consult the Town Planning Department at the initial stage in the consideration of their schemes." Seven "growth centers" (Nakuru, Kisumu, Thika, Eldoret, Kakamega, Nyeri and Embu) were chosen as the initial foci of government efforts "to decentralize future urban growth" and were to receive priority in allocation of revenues for public works and, in the case of Nakuru, Kisumu, Thika and Eldoret, increased attention as future industrial centers. In the Third Development Plan (1974-78), the number of designated growth centers was increased to nine by the addition of Kitale and Meru. Despite the use of "growth pole" rubric in the Second Development Plan, little attention was given to how, or even whether, the growth of Nairobi and Mombasa were to be controlled. However, this issue was taken up in the Third Development Plan. As Richardson⁴ comments, "The philosophical difference between the Second and Third Plans with respect to urban development strategy was the shift from encouraging to discouraging the growth of Nairobi."

While planning documents emphasize the importance of a growth center policy to promote rural development and avoid over-concentration in Nairobi, several observers have pointed out that the performance of the government has not matched the promise of decentralized development outlined in the planning documents. Harry Richardson, one of the several international consultants to be invited to examine the rural-urban balance in Kenya, summarized the gap between performance and promise in the following manner:

Kenya has professed to have a growth center strategy, but it has been more nominal than real...The growth center policies adopted in Kenya during the 1970's hardly merit the name since the designations were insufficiently selective, the centers were not integrated into an overall strategy for the country as a whole, and implementation was ineffective.⁵

The adoption of a growth center strategy and the articulation of policies at the national level do not materially alter the pattern of urban growth and regional development unless accompanied by forceful

4. Richardson, Harry, "Growth Center Policies Revisited", Regional Science Review, 1978, p. 42.

5. Richardson, Op. Cit., pp. 140 and 150.

action and deliberate and coordinated measures by the implementing agencies of government which determine where and how public revenues will be allocated. No matter how emphatic the plans, final judgment on the success of a strategy will rest upon the actions of government and their impact on the regional distribution of development. In this regard, Richard Stren has commented on what he calls the urban policy bias in Kenya which is reflected in:

...the disproportionate share taken by Nairobi in physical development. While both the 1970-74 plan and its successor have sought to spread development more evenly among the other urban centers, no trend in this direction is evident from official statistics. From 1967 through 1975, Nairobi's share of the value of new private construction in the main towns actually rose from 78.3 percent to 81.8 percent although there was some variation from year to year. But from 1970 through 1975, Nairobi's share for all years stood at 77.8 percent. Moreover, the value of new public buildings during the 1970-75 period was only 42 percent of the value of private building; most of this public building appears to have taken place in Nairobi.⁶

Despite such criticism, it is as yet much too soon to judge the effectiveness of the government's policies with regard to decentralized development. It is a most difficult task to orchestrate change in any government bureaucracy, even the most highly centralized. In a parliamentary system, even with one-party domination, with all the various political groups, constituencies and alliances that are inherent in that system, it is even more problematic. Yet there are real signs that more and more areas of government are beginning to acknowledge, if not yet fully to support, the move toward more decentralized planning and investment.

The international donor agencies such as IBRD, USAID and ODA have influenced the speed and direction of government action through the guidelines and restrictions put on their loans and grants for projects. The increased pressure on government represented by these agencies is not always welcome. Disagreements over standards and criteria for urban development were a regular part of early urban projects. These problems are likely to be increased as more and smaller towns are being considered as potential sites for urban projects by the World Bank, AID and ODA. As government and donor agencies develop projects in the secondary cities of Kenya, a severe strain will be put on both organizations and resources.

The manner in which the Government of Kenya responds to this increased strain will go a long way toward determining whether decentralized development focused on an integrated system of secondary towns will become a reality. In the following section, several issues of implementation are discussed.

6. Richard Stren, p. 187.

IV. Implementation Issues

A review of recent planning documents and project proposals is enough to convince even the most skeptical observer that "the move to secondary and intermediate-size towns in Kenya certainly is on." The Government of Kenya is currently engaged in a series of negotiations involving the World Bank, AID and ODA to finalize details of a mega-project calling for \$ 40-50 million in funding to provide housing and infrastructure investment in some thirty-six secondary towns and rural service centers. The shift toward the lower end of the settlement hierarchy represented by these projects will mean a real and dramatic shift in emphasis not only for the government but for the World Bank and the bilateral donor agencies likewise.⁷ In the process, it is most likely that both the government and the donor agencies will learn a great many lessons concerning the most effective ways, and some of the least effective ways, of promoting secondary city development.

In his critique of the growth center policy in the mid-1970s, Richardson endorsed the policy objectives which provided for dispersing development to growth centers outside Nairobi. However, he argued, the case for decentralization is not based on the overwhelming primacy of Nairobi. As Richardson observes:

The real case for a growth center strategy in Kenya cannot be based on the argument that Nairobi is too large (i.e. net agglomeration diseconomies) but rather rests on the view that policies to promote (or, more accurately, to maintain) a dispersed settlement pattern are fully consistent with Kenya's comparative advantage in agriculture and resource-based industries.⁸

Richardson thus finds little fault with the objective of Kenya's plans, but is critical of the manner in which growth centers were designated. He argued that "the designation of nine growth centers is too many for effective implementation in view of Kenya's scarcity of infrastructural capital and resource constraints." He suggested that Kisumu be promoted as a national urban center in Western Kenya capable of providing an effective counter-magnet to Nairobi and to provide balance to the national system of cities.

In his recommendation, Richardson noted that any policy

...aimed at the redistribution of economic activity and manipulation of the projected distribution of urban population would require a set of consequential policy instruments to effect the desired changes.⁹

7. The AID project on "Kenya Small Towns Shelter and Community Development" is built around a Housing Investment Guaranty program and represents "...a new thrust and direction for the HG program."

8. Richardson, Op. Cit.

9. Ibid., p. 148-149.

In summarizing his recommendations regarding implementation of the growth center strategy, Richardson identified "three key priorities" for growth centers:

...a massive redistribution of infrastructure resources in their favor, a strong policy for location of industry, and methods to give the growth centers a degree of fiscal autonomy and financial resources.¹⁰

Richardson ends his essay with a challenge and a rhetorical question:

The challenge is to design and implement growth center strategies to harmonize with the requirements and potential of developing economies. Is it blindly optimistic to believe that this task is not impossible?¹¹

While not blindly optimistic, it is perhaps somewhat myopic to depend upon massive infrastructure resource transfers and increased industrial incentives without squarely addressing the ability of national level institutions to effect, and the ability of local level institutions to absorb, such a transfer. Richardson focused his discussion on questions of national policy, yet the recommendations will necessarily be implemented in specific local contexts. These are some of the issues which must be addressed.

In the past decade Kenya has amassed a rich storehouse of experience in a series of urban projects in Nairobi and elsewhere in the country. Major projects have been funded by the World Bank and other foreign donors. These experiences have been reviewed in a number of insightful papers prepared for AID, the World Bank, ODA and GOK Ministries. Many of the major issues and problems of implementation have been identified and subjected to scrutiny. Experiences in the initial projects were often the basis of revision in approaches taken in subsequent projects although, as one observer commented, "Whatever lessons have been learned, have been learnt at a cost." Projects have frequently been delayed, cost overruns have been common, project objectives have had to be reduced, and major political and institutional obstacles encountered. Still Government is committed to major projects in the shelter sector (both urban and rural shelter) and international organizations seem eager to provide financial and technical support for even larger and more widespread projects. Whether the lessons learned from early projects have been sufficiently digested and whether adequate solutions have been found to correct those mistakes and overcome those obstacles which plagued previous projects remains a serious question.

Kenya is now entering into a third phase of urban projects. The World Bank and the Government of Kenya are in the final stages of

10. Ibid., p. 150.

11. Ibid., p. 151.

negotiation on a project referred to as Urban III. Perhaps what is most remarkable about the project, aside from its size -- some \$ 40-50 million when ODA and AID components are added, is that it aims at providing infrastructural investments and shelter in more than thirty "secondary" towns scattered around the country. Some of the settlements included in the project have populations of just two or three thousand. This represents a dramatic shift from the more typical pattern of providing shelter and services only at the top of the urban hierarchy. The attempt to implement shelter and infrastructure projects in so many varied local settings will provide a severe test of the implementing skills and capacity of all parties involved.

Before discussing this third round of urban projects in more detail, it may be useful to review some of the experiences gained and lessons learned in the first two rounds of urban projects. Kenya's approach to the problems of housing has altered significantly since the massive squatter settlement demolition and clean-up campaign launched by the government in Nairobi in 1970.¹²

In that year an estimated 10,000 dwellings were razed and 50,000 people, uprooted. In the mid-1970s Kenya undertook a large sites-and-services project in Nairobi which emphasized more economically realistic standards, provided for social services and community development components. In this program cost recovery principles and related aspects of the project were to be monitored and evaluated.

Gaining support for the sites-and-services approach was no mean feat. This approach to shelter sector problems was anathema to many Kenyan officials who viewed it as not only condoning, but actually constructing sub-standard residential areas in the midst of their "Green City in the Sun". Planners, Ministry and other officials, for the most part trained and thoroughly grounded in British colonial planning procedures and standards, were reluctant to tolerate anything less.

Even while recognizing the need to adopt sites-and-services schemes and squatter upgrading approaches in public statements of housing policy, strong resistance persisted among some Kenyan officials. This ambivalence is evident in the Third Development Plan, 1974-78. During the period in which government was beginning to adopt the sites-and-services approach, the plan reaffirms the commitment to:

...ensure that housing design and construction conform to government standards and that each housing unit constructed in urban areas shall have at least two rooms, plus its own kitchen and toilet.

12. A pattern of official behavior consistent with post-colonial practice which regularly demolished unauthorized African housing to enforce residential segregation in Nairobi.

Moreover, government pledged "to ensure that...no additional unauthorized housing settlements are erected" and determined that "slums (be) removed when satisfactory alternative housing has been found..."

The gradual change in emphasis in policy and implementation of urban projects was greatly facilitated by World Bank officials and other expatriate experts. New loan guidelines and donor agency requirements stressed the need for the sites-and-services approach to housing low-income families. This pressure, together with mounting physical evidence that the housing problem clearly was out of hand, has resulted in a general acceptance of the approach.¹³

Dandora, the location of the first large sites-and-services scheme in Kenya, demonstrated that a shift in government policy did not guarantee successful implementation. The project, which urgently called for the construction of 6,000 serviced plots, suffered many setbacks.

Whether one judges the experiment as successful depends on which aspects of the project one values most. On this point, observers differ widely. One thing that both defenders and critics agree upon, however, is that Dandora provided valuable lessons for future project designs and highlighted several major weaknesses in the administrative and implementing aspects of the process. The delays in implementation and short-fall in the number of serviced plots completed were evidence that there was still a lack of understanding and commitment to the project in some agencies of government and on the part of the donors. Problems stemming from lack of coordination and outright conflict between government bodies that had responsibility for various aspects of the project underscored the need for institutional reform. Similar lessons were learned in related urban projects undertaken. The AID low-income tenant purchase project in Umoja and projects by the European Development Fund in Muthare Valley and Kawangware experienced some of the same problems despite safeguards built into the projects. Questions were raised regarding the timely provision of technical and financial inputs, the mechanism being employed to recover costs, the allocation procedures adopted and the ultimate beneficiaries of the project.

The second major phase of urban projects involved the extension of sites-and-services and squatter upgrading schemes to cities outside of Nairobi. The World Bank's Urban II project included Mombasa and Kisumu, in addition to Nairobi. In moving to these second-level cities, it was proposed that local authorities would be primarily responsible for implementing the schemes with over all supervision by the Ministry of Housing and Social Services.

13. Estimates suggested that the short-fall between housing unit production (by both private and public sectors) and household formation may be as high as 17,000 per annum. Much of this demand is accommodated in illegal or otherwise sub-standard dwellings and squatters' quarters.

To facilitate project implementation new Housing Development Departments were established. These new departments were created to strengthen local council capacities to plan and manage the low-income shelter projects being financed, and could not have been established except for the insistence of the World Bank. The departments were an attempt to bring together various aspects of project implementation and to effect coordination of shelter sector activities at the local level and ensure vertical integration between the local and national level.

The new departments cut across established lines of power and responsibility and were accorded a rather cool reception. Despite a long period of discussions and negotiations that preceded the establishment of the department in Kisumu, it has taken a long time to gain acceptance.

Staffing the new departments also has been a problem. In Kisumu, after three years, the department is still not fully staffed, and there are still areas in which the action-orientation of the department's shelter project runs afoul of the established procedures and institutional structures which remain essentially unchanged despite the insertion of this new department.

Central government officials are skeptical about the ability of local government to manage projects. Local governments feel that, although they are under increased pressure to accommodate new programs and are anxious to exercise more initiative in matters of urban planning and management, they currently lack the financial and technical resources to respond positively. Local government officials argue that it is quite right that secondary cities should develop their own independent capacity to conceive of, and implement, projects for their people. As one official put it, "People need to grow with the city."

There is a need for a greater measure of control over finances and decisions than is currently possible in an institutional structure which still is highly centralized. Capital budgets and recurrent expenditures must be approved in Nairobi. Decision-making needs to be vested in local authorities so that long delays, occasioned by the need for central government approval, can be avoided.

If a sewer breaks or a contractor runs over amounts budgeted, long delays are experienced in gaining approval for needed adjustments or additional expenses. The provision of water to a low-cost housing scheme in Kisumu has been the subject of considerable debate regarding responsibility for a long delay in completing the connections. Occupancy of the completed units has been postponed for an embarrassingly long time because the original contractor failed to complete the project, citing inadequate funds. Need for a second contract, involving new requests, appraisals and approvals, has delayed the project further. That water should be rationed in the face of an "unlimited" supply available from Lake Victoria is a sore point for local officials.

Kisumu, Kenya's third largest city, is experiencing other problems of urban growth. Besides water, there is a need for other infrastructure to facilitate the planned industrial expansion in the town. Issues of land use control and management have arisen and much of the current expansion is taking place without adequate planning or direction.

Similar problems have been experienced in other secondary cities. The government and the international donor agencies are recognizing that shelter sector projects must be related to other facets of urban growth. Recent project documents have argued for shelter projects to be linked to employment and economic development strategies, provision of social services and improvement in local capacity to manage growth. Yet, despite the increased sensitivity to problems of institution-building, such changes have proven in Kenya, as in the other countries that have tried to achieve progress in this area, exceedingly difficult to effect.

Given the very serious problems which have been encountered in implementing projects in Nairobi, Kisumu and Mombasa, the move to develop projects in more than thirty small towns, where local resources and management capability are much more limited, presents a formidable challenge to the government and international agencies cooperating in the project. Most of the obstacles to successful implementation of urban projects identified in the experiences of Urban I and Urban II still remain. Although current project designs are addressing some of those issues and alternative strategies have been put forward to remedy them, it is unlikely that they will be resolved adequately prior to the initiation of the secondary city projects -- even though both internal political and external aid pressures are at work.

The eventual impact of these continuing problems on the likelihood of success remains a matter of conjecture. However, it seems a foregone conclusion that the projects will proceed given the government's determination to mount a nationwide shelter program and the willingness of IBRD and other donor agencies to finance the schemes.

The central issues involved in the secondary city projects which are a continuing source of concern to project planners include:

National Level Mechanisms

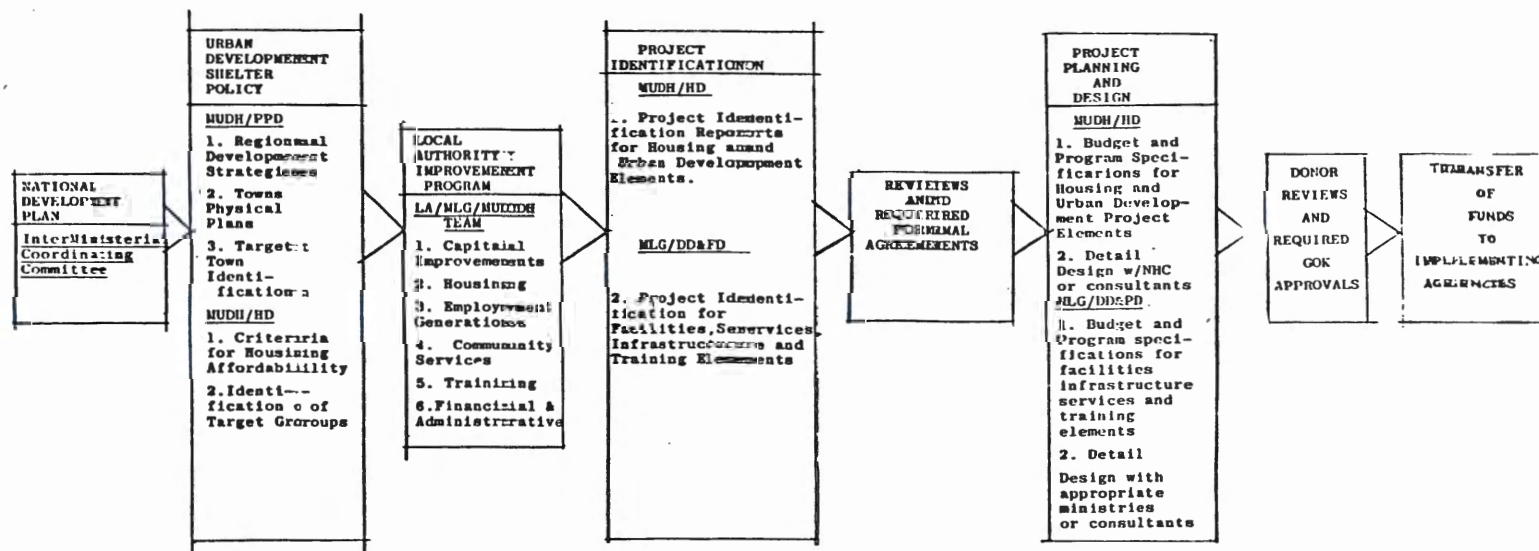
Inter-Ministerial and inter-agency coordination, and

Appropriateness of existing national institutions for implementing the projects and facilitating urban development.

Local Institutional Capacity

Ability of local authorities to participate effectively in planning, and eventually, to manage critical aspects of urban development, and

Service delivery capability and financial management capacity.



Keys: MUDH : Ministry of Urban Development and Housing
 PPD: Physical Planning Department/MUDH
 HG: Housing Department/MUDH
 LA: Local Authority
 MLG: Ministry of Local Government
 DD: Development Department, MLG
 FD: Finance Department, MLG

PROJECT ADMINISTRATION PLAN - THE PROCESS

ODA Study - Six Towns in Kenya

Authorities Involved in Urban Planning and Development

Agency	Main Functions
Government Ministries) Provincial Development Committees) District Development Committees)	Policy, planning, finance and/or co-ordination.
Commissioner of Lands Physical Planning Department Government Architect	Provision of land and control Physical planning Planning and development of all Government buildings.
Local Authorities	Housing, social services, trading licences, etc.
Director of Surveys Chief Engineer (Roads) Ministry of Water Development	Survey and mapping Planning and construction, roads Planning and construction, water supply
Development Responsibilities	
Office of the President	Administrative buildings, and armed forces, policy, administration of land
Ministry of Agriculture	Offices, housing, educational etc.
Ministry of Livestock Development	Offices, housing, educational etc.
Judicial Department and High Court	Law Courts, staff housing etc.
Ministry of Commerce	Offices, staff housing
Ministry of Industry	Offices, staff housing and industrial estates
Ministry of Co-operative Development	Co-operative development
Ministry of Urban Development and Housing	Housing, urban development co-ordination and planning
Ministry of Culture and Social Services	Offices and community buildings
Office of the Vice-President and Ministry of Finance	Staff offices, financing of development
Ministry of Basic Education	Education and staff accommodation
Ministry of Higher Education	Education and staff accommodation
Ministry of Economic Planning and Development	Offices, economic development planning
Ministry of Health	Medical and staff buildings
Ministry of Constitutional and Home Affairs	Prisons, approved schools, etc.
Ministry of Information and Broadcasting	Studios and staff housing
Ministry of Labour	Staff offices and housing
Ministry of Local Government	Staff offices and housing, development of l'a's.
Ministry of Environment and Natural Resources	Staff offices and housing, environmental protection
Ministry of Transport and Communications	Aerodromes, railways, harbours, roads etc.
Ministry of Tourism	Tourist development
Ministry of Works	Offices, stores and works depots.
Ministry of Energy	Staff offices and housing
Social Organizations	Social and sports clubs, etc.
Religious Organizations	Missions, schools etc.
Private Developers	Banks, industry, housing
Kenya Harbours	Harbours
Kenya Railways	Railways
Kenya Posts and Telecommunications	Post Offices
Kenya Airways	Airports, airstrips
East African Power and Lighting	Electricity supplies

Source: Adapted from Appendix II, Development Plan 1979-1983

IC-3

Land Issues

Availability of serviced land for the projects and for anticipated future growth.

V. National Level Mechanisms

There are a host of national, provincial and local level authorities directly and indirectly affecting urban development in Kenya, as indicated in the accompanying table. Efforts to ensure that these authorities are not working at cross purposes are required. Areas of responsibility and definition of functions for each authority require clarification.

The recent clash involving the Minister for Urban Development and Housing, the Minister of Local Government and the Nairobi City Council over allocation of units in the Kahawa West tenant purchase housing scheme in Nairobi illustrates the potential for conflict.

The national level institutions most directly involved in the secondary city projects are:

1. the Ministry of Urban Development and Housing (MUDH),
2. the Ministry of Local Government (MLG) and
3. the Commissioner of Lands, Office of the President.

The Ministry of Urban Development and Housing (MUDH) is designated to play a central role in the shelter sector plans for secondary cities. The Physical Planning Department (PPD) is to be responsible for coordinating subdivision plans, and approving the design of shelter and related community service facilities. Recent transfer of the Physical Planning Department from the Ministry of Local Government was intended to facilitate project design and implementation. A new Project Planning Unit (PPU) is proposed for MUDH to strengthen the Ministry's project planning, coordination and implementation activities. This unit is to be established with the assistance of technical advisers provided for in the loan agreements. It is expected that the PPU will play a major role in forging inter-ministerial ties and coordinating the activities of national, provincial, district and local authorities. It is also expected to monitor the flow of funds and exercise over all control of the project schedule. The ability of this unit to "hit the ground running" and quickly to gain the confidence and collaboration of diverse government authorities seems essential to the smooth functioning of the secondary city initiatives.

The National Housing Corporation (NHC) is to be responsible within MUDH for implementing the housing projects in secondary cities. The NHC is also being studied to determine how best it might be reorganized and staffed. (The ability to attract and maintain qualified staff has been

a continuing problem for this agency.) Since the NHC is so important in the actual provision of shelter, the nature of the proposed reorganization and ability of NHC personnel to carry out their tasks under the secondary city development program will be critical to the program's success.

The Ministry of Local Government (MGL) has responsibility over local government authorities' operations and financing and the training of local government personnel. The MGL oversees all aspects of local government finances, approves budgets, provides loans for infrastructure projects, and authorizes changes in senior staff positions. Recently the Ministry has undergone a reorganization aimed at strengthening its ability to work effectively for local government improvement. Questions concerning its ability to manage a major new program have been raised.

The Commissioner of Lands in the Office of the President is responsible for providing public lands for shelter projects and must approve all subdivision plans. Because many complex issues regarding land availability and land use have yet to be resolved, the cooperation of this office will be another critical aspect of the secondary cities program. Land issues were one of the major sources of delay in earlier urban projects.

The recent reorganization and strengthening of these national level institutions reflect awareness on the part of government that political and administrative weaknesses that hampered previous projects must be corrected. The major question that still remains to be answered is whether the proposed changes will have a chance to "jell" before being severely tested by the task of administering a massive new loan package and coordinating the implementation of simultaneous shelter projects in several widely separated small towns. It also remains to be seen whether the currently reorganized institutions will prove to be better suited to the dynamics of self-help and upgrading approaches to shelter provision than they were before reorganization.

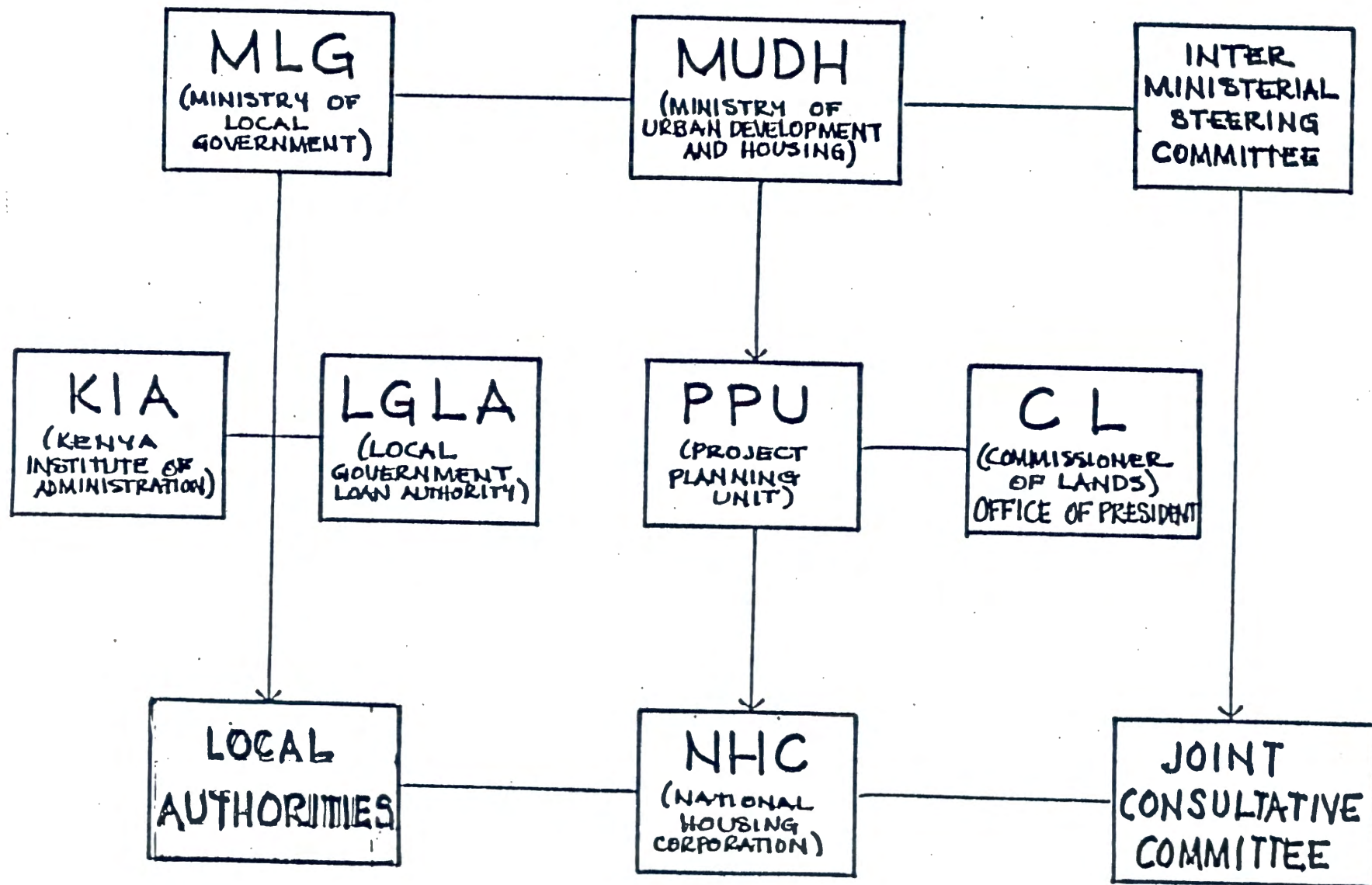
There is a particular challenge here to the donor agencies to exercise sensitivity in balancing assistance efforts between their institution-building objectives and those of meeting pressures to achieve tangible production goals.

VI. Local Institutional Capacity

Local authorities in Kenya differ in their size and functions, including city councils (Nairobi), municipal counties, county councils, town councils and urban councils. Local authorities differ in their responsibilities and staffing patterns. Although all involve some degree of responsibility for planning, development and service delivery, ties with central government agencies are still strong.

Towns are governed by elected councils and derive revenues from a variety of local taxes, levies and fees. Capital budget is provided through the central government (NHC or MGL).

Institutional structure
Source: AID Project Paper, "Small Town Shelter and
Community Development"



INSTITUTIONAL RELATIONSHIPS FOR
PLANNING AND IMPLEMENTATION

Most observers agree that current resources and staff would be inadequate to the task of administering the type of shelter projects envisaged in the secondary city plans. A greatly expanded training program would be required to provide local authority with requisite skills to exercise greater control over project implementation and management. Experience in past urban projects suggests that local capacity to absorb major projects is limited and may be a source of difficulty and delay in implementation. Since most international donor agencies now stress the need for local participation and strengthened local institutional capacity in their policy statements, at least some attention must be given to this area of concern.

Some observers question whether the lessons of the previous urban projects have been sufficiently "internalized" by the international donor agencies. In the effort to "deliver" infrastructure and shelter projects, will the government and donor agencies have the patience to foster real local participation and encourage local institution-building? As with most projects of this type, there is a tension between process and product. The government is anxious to produce housing units, the donors are eager to finance them and there will be a strong temptation to implement the projects without significant participation of local authorities.

Although current project documents call for increased training of local authorities, it does not appear to be a major item in the budgets, and the details of the training are very sketchy. The nature and extent of training required are currently under study by a government task force, but details still are not clearly defined. It appears most likely that training of local officials and staff is to be undertaken concomitantly with project implementation.

The experience of previous urban projects in secondary cities, such as those undertaken by AID's Office of Urban Development in Ghana, Thailand and Nicaragua, suggests that training of local authorities and upgrading skills of local staff are essential aspects of institutionalizing a land use programming process. These experiences also suggest that building a firm institutional capacity for urban administration, planning and management requires more than on-the-job training.

Under present thinking, many important aspects of the secondary city projects will rely on central government personnel and outside consultants. The projects are intended to enhance local capacity rather than create full project management capability at the local level.

VII. Land Issues

Land ownership and use has a complex history in Kenya. Complications arise from the fact that several different land tenure systems operate. Land is classified as public lands, which are owned by the Government of Kenya or the local governmental authorities, and private lands. Availability of public lands for use in accommodating housing or urban services is becoming a problem in many of the secondary cities.

Areas previously set aside in townships and municipalities have been exhausted quickly by urban expansion, and these "urban land banks" have not been augmented, owing to inadequate financial resources and political problems surrounding compulsory purchase of land.

Land registration is chaotic with two and three claimants to particular parcels of land. These issues of land are the subject of current study by government, but a national land policy has yet to be announced.

The land use plans which have been produced as part of physical planning exercises at the provincial, district and municipal levels are rarely implementable. Plans for cities such as Kisumu are not tied to sectoral planning and project planning activities of the central government ministries. Thus they are frequently of little use when public sector investments and projects are being planned or implemented. The private sector frequently is either ignorant that a plan exists or that a particular procedure is required before land is developed, or chooses to ignore troublesome or inconvenient aspects of the plans and procedures. In most cases the local authorities are too understaffed and insufficiently financed to monitor land development. Although there are legal instruments for enforcing compliance with the local plans, including the ultimate threat of demolition, in fact this occurs less and less frequently due to political pressures. The plans are becoming simply "advisory" documents, prepared "in the hopes that private developers will follow the plan". Evidence suggests overwhelmingly that, on the contrary, development not in accordance with the plans is very rapidly occurring, thus rendering the plans obsolete. Urban development is calling for, and shaping, revisions in the plans . . . completely reversing the relationship which had been intended.

Planning and implementation of projects are still highly centralized in Kenya. There is an ongoing project aimed at decentralization of regional planning and building planning capacity at the district level in Kenya. This project, providing technical support through the Harvard Institute of International Development, has just been renewed for a second phase. There is apparently little coordination between this effort to establish strong district level planning capacity and the project planning activities being undertaken for secondary cities.

There still is a great deal of uncertainty about the appropriate type of planning for Kenya, and continuing conflict between those pursuing the more traditional forms of regional/physical planning exercises and those pushing for greater action-oriented, project-based planning. The physical planning of the past was wedded too literally to central place concepts and lexicon. Such plans proved too rigid and rarely were implemented. All the action took place in spite of the plans.

On the other hand, planning linked solely to a single project frequently proved myopic and implementation of projects was delayed. Worse still, are projects which were completed in splendid isolation and sat idle owing to the absence of other, supporting institutions, services or

activities. Errors of both types must be avoided. But to do so will require a new concept of planning, neither so ambitious as the comprehensive physical plan nor so narrow as the project plan. The outlines of such a planning process can be seen in the recent planning documents being written in Kenya today, but it is still very much in the drawing board stage.

VIII. Concluding Comments

Kenya is in the midst of a major effort to restructure its ability to plan and implement a secondary city policy. It is relatively easy to find fault with various aspects of previous urban projects and to raise questions about current plans. However, one cannot help being impressed with the genuine progress that has been made in a relatively short time and the determination that marks current government efforts to cope with a myriad of long-term issues while energetically pursuing short-term projects with the host of daily crises that beset such efforts.

Kenya's struggle to define its secondary city policies and design an efficient system for delivering shelter and services to growing settlements is being conducted with the surveillance and participation of numerous international agencies. The results of Kenya's experiment with secondary city development undoubtedly will be of interest to other countries, and the amount of review and analysis to which it is being subjected ensures that ample monitoring and documentation of the successes and failures will be available for others to study.

VI. AID Office of Urban Development
Land Use Programming Demonstration Program

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VI. AID Office of Urban Development Land Use Programming Demonstration Program

In the early 1970s, when AID's Office of Urban Development (DS/UD)¹ turned to focus on secondary cities of the developing world they foresaw the possibility of many Agency interests converging in this subject.

The secondary cities appeared to offer opportunity for strengthening a hierarchy of links between the nations' industrial and agricultural growth centers. These cities seemed to be strategic locations for decentralizing national administrative machinery and development resources. The idea that they might be alternative magnets for rural migrants was yet another consideration in light of the major metropolitan areas' overwhelming growth.

Moreover, many of the secondary cities were, themselves, experiencing rapid growth. Lacking the planning skills and other institutional resources to manage their expansion in an orderly way, these municipalities were exhibiting signs of strain and deterioration. Their problems had not yet reached the point of severity evidenced in the largest cities. There seemed still to be time to influence the course of development but few on the local scene were really able to do so. This seemed to be a real opportunity for USAID to make an impact through technical assistance within the scope of both its mandate and its resources.

Although the literature on urbanization at the time was full of material on the largest -- or primate -- cities of developing countries and their problems, relatively little was known about the secondary cities. In order to have solid grounding for an assistance program, the Office of Urban Development undertook a systematic inquiry into the situation and trends of the secondary cities. The research effort encompassed wide-ranging interests: from the nature of the secondary cities' economic bases and roles in their respective national economies, to identification of the forces generating their growth and emergent issues associated with it, their management, and the decision processes affecting future development. Questions of appropriate forms of assistance, specifically those which USAID could offer, were also addressed.

The idea of land use programming grew out of one of these studies.² DS/UD saw it as a potentially useful technique, applicable in the short term, for helping intermediate cities remove impediments to growth and prepare to accommodate it. Land use programming was a logical complement to the Agency's other interests in urban finance, urban and regional planning and building the capacity of local government. It was

1. Development Support Bureau, U.S. Agency for International Development.
2. Rivkin, Land Use and the Intermediate Size City in Developing Countries, Praeger, 1976.

envisioned originally as operating in the context of, and in support of, national development strategies such as the creation of "growth poles" or "concentrated decentralization of investment" that were becoming more and more prevalent at the time. It was not presented as a strategy for secondary city economic development, or even amelioration, in its own right. Rather, it was originally conceived as a means of enabling the larger development strategies to be more effective and more easily assimilated.

Land use came under the spotlight because serious land development problems were becoming apparent in the secondary cities of countries where programs for decentralizing economic development were in effect, and where substantial physical development and population growth were occurring as result of development investments. Some of these problems — for example, conflicts of activities competing for land, preemption of expansion land on the urban fringe by uncontrolled sprawl of squatter settlements, rampant speculation, overloaded infrastructure systems and insufficient urban services, infringement of new development on the existing, projects poorly coordinated in space and time etc. -- were clearly threatening to the success of the development effort.

Thoughtful provision for solutions in advance of actual construction projects would not only help avoid these problems, but could also enhance the efficiency or economic benefits of the development investments. This was the rationale for intervening in land use matters. Because the land use management program was conceived as an aspect of national secondary cities policy and programming, it was envisioned as operating within such a context, not as an isolated effort separate from other development activities.

No particular weighting of land use problems relative to others of the secondary cities was implied. Other problems, it was assumed, would be dealt with through other techniques, very likely at the same time and in the same places as application of the land use programming approach.

Meanwhile, the research program of the Office of Urban Development itself was pursuing separate, additional avenues of inquiry. They sought to develop a broad base of comparative information about the economic functions of secondary cities in developing countries worldwide. They undertook to examine the role of urban areas in rural development, and to discover through experimentation effective means of stimulating small enterprise development. The Office also sponsored research on alternative approaches to the physical development of urban areas in a manner which incorporate economic and social development objectives as well.

Approach to be Demonstrated

Traditional master plans with their static approach were proving to be ineffective instruments for guiding rapid secondary city expansion in the context of the decentralized development programs under way. Prepared by foreign consultants or national government officials in the

capitals, these plans may have once recognized actual local conditions and possibly have involved contact with local authorities. But by and large they were not being regularly reviewed and adjusted in light of changing circumstances.

These traditional master plans were never really designed to serve as guides for the selection of specific project sites or for actions to stimulate economic development. Nor were they linked to capital budgets, schedules or clearly drawn institutional responsibilities for implementation. Consequently, they were poor guides for coordinating diverse development projects. In many cases these master plans did not even cover the urban fringe areas where growth pressures were becoming particularly heavy.

The master plans were not really enforceable by local officials either -- sometimes because of limited jurisdictional authority, often because of insufficient manpower, resources and provision for the full range of urban activity seeking accommodation. Even central government agencies tended to honor the plans more in the breach than in the following.

By contrast, land use programming was conceptualized as a continuous process, locally based in the secondary cities themselves. It was to involve analysis, planning, development and evaluation. Its product was not to be a set of fine maps and documents stored away for the future appreciation of archivists but rather an ongoing series of rational interventions in the crucial decisions affecting physical development of the cities.

In the process, local officials would gain skills in assessing projects proposed by central government and other outside sources of investment. They would learn to anticipate impacts and contribute to the resolution of problems. USAID also hoped to stimulate local initiative in securing development investments by teaching municipal officials to formulate worthwhile projects and make persuasive presentations.

Real, immediate land use problems and development issues were thus the central concerns of land use programming as distinguished from the long range, theoretical and comprehensive master plans with their schemes of how everything ought one day to look.

AID's Office of Urban Development undertook to demonstrate the concept of land use programming through a group of three pilot projects -- one in Leon, Nicaragua; another, in Chonburi, Thailand; the third, in Tamale, Ghana. They took place over a period of six years (1976-81). Though a modest activity by AID standards, this effort involving three cities on three continents, dozens of professionals and more than a decade of man-years, came to represent a sizable intellectual investment.

The three pilot projects are now completed, but for a follow-up phase of technical assistance in Tamale. In keeping with DS/UD's

mission to advance the "state of the art" in urban development, certain lessons from the experience are recorded below.

Design of the Demonstration Project

Each of the demonstration projects pivoted around a single field representative of a U.S. contractor who, together with technical support from his parent firm, was responsible for establishing a land use programming process in a given city.³ These were cities selected by the USAID Office of Urban Development in consultation with the respective host country governments.

Guidelines for the two-year resident technical advisers⁴ called for them to work with and train local officials as they went along, incorporating the principal elements of land use programming into the pilot city's ongoing institutional framework. The project design included activities outlined in the original 1974 study: goal setting, assembly and analysis of relevant data, preparation of a flexible, short-term guide plan, establishment of techniques for shaping land use, project "packaging", i.e. devising specific development projects and other actions which would be early steps in plan implementation, and setting up procedures for continuous monitoring of development and keeping the land use program up to date.

Inasmuch as this project was designed to test ideas about intervention in urban development (specifically, technical assistance as a means of instituting the approach in secondary cities) rather than as a research project to gather data about the cities, it contributes more to our evolving notions of land use programming and technical assistance than to our general understanding of the nature and economic functions of intermediate size cities.

Beyond this, the pilot efforts have shed light on questions of project design, i.e. the translation of the land use programming concept into a demonstration exercise and on project implementation, i.e. the actual application of the ideas in specific situations.

The Office of Urban Development convened a day-long seminar on March 5, 1981 in Washington, D. C. to assess the over all pilot effort and discuss future directions for secondary cities development planning. Field personnel and DS/UD personnel who were involved in all three pilot projects participated, as did other USAID staff, representatives of the World Bank and members of Rivkin Associates who conducted the initial study in 1974.

3. The Chonburi project was an exception in that it included a group of three small cities situated quite closely to each other.
4. Background of the field personnel in Leon and Tamale was urban planning. The Chonburi project included both an urban planner and a specialist in urban finance.

Dr. Eric Chetwynd, Deputy Director of DS/UD, introduced the seminar with a chronology of AID's interest in the field, leading to this present "state of the art" review. Dr. Michael McNulty, who helped formulate and organize the three pilot projects while on assignment to DS/UD, delivered a theme setting paper. The remainder of the discussion was devoted to the Land Use Programming demonstration experience by the participants.⁵

The chief adviser-participants presented the chief features of their respective pilot efforts -- the situation of the place where each was assigned and the manner in which each set about his task. These individuals were very different in style, and the local contexts in which they worked were also very different. They offered quite different perspectives on the over all subject. These lessons are worth noting in brief outline without encouraging either direct comparison or global generalization.

Leon, Nicaragua

This pilot project was the first to start. It ran between January 1976 and September 1977.

Setting

Leon was Nicaragua's second largest city with population of 100,000 (including 75,000 in the city and another 25,000 in the rural hinterland). It was the center of an agricultural area mainly engaged in cotton production. Although Leon's population had recently become swollen by refugees from the earthquake in Managua, 50 miles to the southwest, it was not really a growing urban center. Its population had actually been declining. Owing to industrialization Chinandega, 40 miles to the north, was the region's fastest growing city even though it lacked the complement of existing infrastructure present in Leon.

Leadership

Leadership by Leon's dynamic, aggressive mayor was the most distinctive characteristic of the Leon situation. A business partner of the then-president, and well-connected to the decision-making structure in the capital, he was looking to obtain both prestige and investment for his city.

-
5. Dr. McNulty observed in revising his paper after the seminar that the presence of no more than one of the developing country participants from the pilot projects meant a valuable source of insights and important perspective on the program was missing. Ultimate judgment as to whether land use programming is a worthwhile approach for guiding the growth of their secondary cities and just what sort of framework the developing countries will utilize, if any, he believes, rests with national and local officials of those countries.

Conflicting Perceptions

Initially it seemed that local, national and international agencies had a similar conception of the pilot land use programming project. This turned out, however, not to be the case. Central government was interested in obtaining external financial assistance, but saw the project as a conventional physical planning exercise. The USAID Mission was interested in advancing development in Nicaragua and saw the project as a means of supporting its strategy to foster a policy of decentralization out of the capital city. Together, the mayor and other key sponsors of the project seemed united and compatible. Independently, and in practice, their views were actually divergent.

Chonburi, Siracha and Phanat Nikom, Thailand

The second of the demonstrations to get under way, the Thailand project was conducted between January 1977 and August 1979.

Setting

Three cities ranging in size from 20,000 to 40,000 were involved in this project, Chonburi being the largest. None of them was growing although their hinterland (comprised of unincorporated "sanitary districts") was experiencing a great deal of spillover growth from Bangkok, only 1 1/2 hour's drive away. The region was generally prosperous with this new industrial and commercial development spreading out from the capital added to its agricultural base.

The most salient "fact" of the project setting (the intransigence of which was not fully revealed or appreciated during the process of its selection) was that the three urban jurisdictions had no authority over, or responsibility for, development in the sanitary districts outside their boundaries. Consequently they had little or no influence over the urbanizing region's physical pattern of expansion. The demonstration's objective, i.e. providing a framework for guiding urbanization, was thus jeopardized from the outset. The provincial administration, also a party to the technical assistance agreement, had authority to extend the project's influence over the sanitary districts but apparently did not choose to do so.

National Institution

Thailand has had central government agencies expressly concerned with decentralizing development outside the primate city of Bangkok. There were two operating at the time of the pilot project: The National Economic and Social Development Board (NESDB), a planning and priority-setting arm of the Prime Ministry, and the Town and Country Planning Office of the Ministry of Interior. NESDB was ostensibly trying to foster decentralized growth through a program of "regional cities". The Town and Country Planning Office was charged with preparing local plans. While the organizational structure for national support of the

secondary cities project existed, conflicts between the two key institutions apparently nullified potential support for the Chonburi project once it was under way.

Staff Selection Issues

To be effective, a technical assistance effort requires ability on the part of project staff to convey ideas. In the case of Chonburi, an American adviser had been selected who appeared to have appropriate professional background as well as the advantages of long residency in Thailand and knowledge of its language and institutions. Once on the job, however, the individual (who had had close ties with the Town and Country Planning Board) came into sharp conflict with NESDB, the principal sponsor of the project. After a few months, he was withdrawn at the request of NESDB. His successor was never able to establish sufficient rapport with the agencies involved to overcome the residual hostility.

Project Identification

One objective of the demonstration was identification of specific development projects which could be implemented in support of the area's growth. In Chonburi, certain pet projects already under consideration by local officials were presented to the advisers for implementation. An already-difficult situation was aggravated since the main proposal, a reclamation project to create development land within fully-built-up Chonburi, proved infeasible when subjected to analysis. Similar projects in the other communities, hotel and market developments for example also posed serious problems. According to the field personnel, local officials were so committed to their initial ideas that they were not open to the formulation and potential implementation of other projects that might have been more worthwhile.

Financial Component

Chonburi was the only pilot project to include staff with special expertise in public finance. The additional analysis thereby contributed proved extremely important in revealing both the heavy dependence of local government on transfer payments from the national level and the inability of local government independently to undertake development projects at its own discretion. Unfortunately, inter-institutional conflicts prevented the team's financial analyst from obtaining essential information and bringing his recommendations into the policy formulation process at both the national and local levels. Local officials had the misconception that he was there to justify and obtain financing to implement their pet projects. They seemed disappointed to learn he was there to subject these schemes to systematic analysis.

Assistance to Local Decision-Makers

Another objective was to provide continuing assistance to local decision-makers on day-to-day issues of land use and development. Apparently, these issues were considered insignificant by local officials in

the three communities and potential advisory services of the project personnel were unwelcome. Unable to function in this capacity, the USAID field team were thus unable to demonstrate some central elements of the land use programming approach.

Site Selection Issues

In the case of Chonburi, USAID faced the same fundamental problem in site selection as it had in Leon. The principal sponsoring agency of central government, NESDB, represented from the outset that the Chonburi area was a key target location for national decentralization efforts. In the absence of evidence to the contrary during the selection mission, Chonburi seemed an eminently logical choice to USAID.

Tamale, Ghana

Tamale was the last of the three demonstration projects to get going, having been delayed by internal disruption in the country.

Setting

Tamale is a "free standing", rapidly growing center of a large agricultural district more than 400 miles north of the Accra, the national capital. The urbanized area contains about 300,000 people, about half of whom live in Tamale itself. USAID and the Government of Ghana decided to place the technical assistance project at the District level and have it encompass the whole 45 by 38 mile area rather than the urban center alone.

Tamale has been the only one of the three pilot cities actually to experience the kind of rapid growth the land use programming approach was developed to help manage.⁵ Although the other pilot sites initially appeared to the USAID site selection teams at the time of their field visits to meet the basic criterion put forward for choice of demonstration sites, Tamale, alone, turned out truly to have met this basic criterion. In addition, it was the only pilot situation which was arranged from the outset to deal with the entire urbanizing region. In this respect, too, it was distinct from the Chonburi and Leon cases.

5. Data and maps of the settlement pattern in Leon had presented the USAID site selection team a picture of rapid recent population growth. That this was a relatively temporary phenomenon, however, due to the sudden influx of earthquake refugees from Managua, became clear only later, when the contractor who would direct the pilot project went to Leon for a month-long pre-project reconnaissance. In the case of the Thailand project, the USAID site selection team recognized that the region's rapid growth was not occurring in either Chonburi or the other two towns but rather in the sanitary district outside. They had expected, however, that a major contribution of the pilot project itself would be a rationalizing of the process and resulting pattern of regional growth.

The Reconnaissance Mission

Although the U.S.-based program manager made reconnaissance missions to each of the countries -- and the cities -- which were selected for pilot projects, the case of Tamale differed from its predecessors in that there were, in effect, two such visits. The purpose of the second visit was to provide current information on the project situation because a three and a half years had elapsed since the original terms of reference for the project had been negotiated. The designated field director participated in the second advance visit, preceding his actual technical assistance assignment.⁶

Between the two visits of the program manager, the idea of land use programming -- how the pilot project would work, the ways in which it could help Tamale's development problems -- and, indeed, the development problems themselves seem to have had time to "sink in" with local and district officials. When they were called on to reaffirm their interest in the project, and willingness to support it, they seem to have been able to do so with a considerably greater degree of understanding and, consequently, receptivity, than was possible the first time around.

Governmental/Institutional Interest

During the project the Government of Ghana underwent a number of internal upheavals and major currency manipulations. Nevertheless, there appeared to be consistent interest on the part of central government agencies in the growth of Tamale as a major secondary center, in securing and continuing USAID financial and technical assistance for the project, and in regarding Tamale as a test case for local and district organizational reform. This interest, plus a considerable degree of stability at the local level of government and consistent support by the AID/Ghana mission despite severe logistic and communications difficulties, sustained the project.

The Implementation Focus

While the project was represented by the Office of Urban Development as one concerning land use planning and programming, the intense interest of all levels of government involved was in implementation and project generation, not on planning. Indeed, the project team observed a general negative attitude in government toward planning per se. As in

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6. A reconnaissance visit to the project site had been arranged in advance for each designated contractor-project director in advance of the actual start of his technical assistance mission. This permitted the contractor's team to develop a work program based on first-hand impressions of conditions to be addressed in the course of the project. In the Leon and Chonburi cases the U.S.-based program manager was not along, however, to share directly the data, observations, expectations, and discussions of other matters pertinent to the project.

Nicaragua and Thailand, government officials expected the pilot planning project to be linked to capital assistance which would follow. In the Ghana case, however, there were no strongly-held pre-conceived notions about what the projects should be (as there were in Thailand). Project recommendations generated in the course of the work were expected, produced and welcomed.

Counterparts

In Tamale a fairly senior level professional counterpart was assigned to work with the project team from the outset. He worked as a true counterpart, establishing the channels to decision-makers that would have been difficult to open otherwise. After a year on the project he was replaced temporarily so he could come to the United States for advanced training. He will resume his post in Tamale when his course is completed.

Targets of Opportunity

From the outset the staff director adopted a strategy that emphasized "targets of opportunity", i.e. seeking in the daily pattern of events, places and ways he could make helpful contributions. This resulted in activities which did not necessarily follow the logical sequence of a preplanned work program, but did serve the fundamental purpose of making the project valuable to local authorities. Some of his "targets" were:

1. District level organization and performance

To effect improvements in this area the resident adviser organized a series of 35 management workshops for District officials in both political decision-making roles and various technical positions. Imparting knowledge was one objective of these sessions. Others were coordination and simply communication to overcome the fragmented institutional framework for district and local decision-making. In this effort, the land use programming representative joined forces with another AID-sponsored program, the Economic Rural Management Development Program (EDRP).

2. Sites and services as the vehicle for directing growth

This was a case of choosing a tangible, visible way of demonstrating land use programming to local officials. Settlement patterns in Tamale were random and helter-skelter. This made it extremely difficult to provide them with roads and other infrastructure improvements. In view of severe economic conditions, a minimal cost project was proposed, i.e. only rough road grading and provision of water supply. The reasoning was that the road access and water lines would attract future urban expansion of Tamale into the most suitable areas, and set a pattern for development which would lend itself to efficient servicing and management over time.

Two project sites were selected, one for upgrading and the other, for establishing new settlement. The project staff had direct in-service training in performing the surveys and studies necessary to bring this projects to implementation. Students, too, had opportunity to learn through being hired to conduct the household interviews.

No external assistance other than provision of construction equipment, training and building materials was proposed.

3. Tax collection

Working with the District Council, the team organized groups of students to conduct local tax collection. Like the other pilot project cities, Tamale is heavily dependent on national transfer payments. Such revenue sources as it did have locally were underutilized because of inadequate collection. Students were paid "bounties" on the amounts collected and the results far exceeded initial expectations.

Expectation and Performance

Despite the effectiveness of the project team in winning respect and accomplishing tasks, physical evidence of their work is yet to be seen. The sites and services construction work has not begun yet. It has been scheduled, however, and, depending on conditions of civil stability, will be part of a follow-on project with the same director and consultant team as the land use programming project.

Logistical and financial problems in Ghana have had a great deal to do with the lack of tangible physical results in the short term. Another unforeseen impediment has been the dimmed promise of agricultural development in the Tamale region (Western Dagomba). Without the economic growth it has been extremely difficult, if not impossible, for the District council to maintain even basic services much less undertake new projects to improve housing and urban services.

Situations of this sort are not unusual in a developing country. Institution-building and mobilizing performance in a third-world setting is a long process under even the best of circumstances.

Having succeeded in passing major obstacles that blocked the Leon and Chonburi efforts, the Tamale project came to the point of confronting this biggest one of all -- the reality of how long it takes to achieve visible results in matters of land use intervention. Tamale illustrates the difficulty inherent in evaluating short-term technical assistance support missions shortly after their completion, particularly when they have been primarily directed to institution-building or increasing the capacity of institutions to manage their responsibilities.

In the Tamale setting the most important project contribution was improving the operation of district and city administration. A basis for direction and control of urban expansion was established, but it will probably be some time before the full extent of its effectiveness can be measured.

One source of optimism might be found in the increased role of elected District Council members in local decision-making. Political considerations are growing more important in urban land use planning and control, as a result, but the converse may also come about, i.e. that urban land use planning and controls will become increasingly significant issues in local politics.

Timing

Timing helped the project team considerably. It apparently was not favorable in either Leon or Chonburi. In Tamale, however, the project team entered the picture when there was considerable pressure for a re-organized district government and when the growth problems of the city were so acute that a sites and services and upgrading project could legitimately become the capstone of the demonstration.

Common Threads Running through the Three Demonstrations

In retrospect several aspects of the demonstration program proved to be significant.

Institution-building

In the case of Leon, relatively little institution-building work was achieved. The mayor there, described as an overwhelmingly dynamic leader of the city, wanted the project director to report directly to him and to "service" his office. Although the director complied, he also tried to establish working relationships with other agencies and groups, particularly the Chamber of Commerce. These "outreach" efforts were made difficult by the mayor. The project director considered his working relationship with the mayor to have been successful in the short term. However, the political upheaval that followed resulted in a new government which did away with institutions of the former regime.

Local officials in Chonburi rejected the offers of project personnel to provide day-to-day assistance. In their minds the technical advisers were agents of the NESDB who, therefore, did not represent the principal central government ministry to which they were accountable. no productive advisory relationship was established between the project personnel and their Thai Government sponsor, the NESDB, mainly because of extraordinarily high turnover of staff in that agency.

Tamale, it turned out, enjoyed the most extensive efforts and abiding results in respect to institution-building. Its situation at the outset of the pilot project was different from the others in that most major institutional relationships were in flux or were flexible when the project began. Government had decided to decentralize administrative authority, the designated personnel and organizational entities were in place, and all actors were ready for the project to help shape their programs and working relationships. District departments were receptive to the technical support of the project staff, inasmuch as it contributed to their strength. A regional land use committee was formed

in the course of the project; and a technical coordinating committee, chaired by the District Council chairman, was established to advise the District Council on land use matters. The project counterpart and his assistant, who was acting counterpart while he was in the United States for advanced university training, will be permanent staff to the technical committee. Ghana's Ministry of Local Government was pleased with these organizational arrangements and has considered advancing the Tamale experience as a model to be followed elsewhere in the country.

Training

On-the-job training efforts received a major investment of the Leon project director's time. These were informal for the most part. They did include, however, short-term residencies by colleagues from the director's parent consultant firm and a trip to examine one of the firm's projects in neighboring El Salvador. In addition, two staff members were sent as participants in a regional housing conference. More formal seminars in which officials of Nicaragua's central government lectured were too sophisticated for the project staff and proved less successful.

The Chonburi project had no Thai counterpart. Hence informal on-the-job training could not occur. A formal training program for local officials, prepared largely by university personnel, proved to be unsuccessful. Content focused on analysis of the three municipalities as individual case studies, but training materials were not well-related to the subject matter. Sessions were scheduled two to three days each week for a full month, and attendance at the sessions was irregular. A study tour to Manila, Singapore and Malaysia was organized for local officials of the three Thai cities. The fact that the officials involved regarded it as a tourist outing undermined the trip's training value, however. Thai staff who did have the experience of working on the project were transferred to other jobs, and none is currently in place following through on a land use programming effort.

Training was a major component of the Tamale project and a successful one. Apart from the advanced formal education arranged for the project counterpart, who will return to a key post in the District, the seminars with District personnel proved to be a most valuable forum for exchange of information and ideas. Also, students were trained in household survey work and building inspectors, in techniques relevant to their survey and record-keeping responsibilities. Project staff were disappointed they could not work directly with members of the District Council itself, but generally they consider that their training efforts have contributed significantly to the institution-building objective of the demonstration project.

Linkages with Enterprise Development

In the original formulation of the land use programming approach, considerable attention was given to the role of industrial and other economically productive enterprise, both public and private, in generating some of the land use pressures that warranted intervention. Land

use programming was to contribute to the shaping of their development decisions as well as major public works investments, provision of community facilities and residential settlement patterns.

Experience of the pilot projects in this respect was varied. The team in Leon, at the mayor's request, reviewed plans of a number of private sector projects, including a bus terminal and a new hotel. The mayor wanted to maximize the city's benefits from these investments, and he considered that the project team's analysis did help him negotiate better arrangements for the city.

Although there was much private development going on in Chonburi and vicinity during the course of the demonstration effort, the project team had very little, if any, contact with it or influence over it.

Tamale's technical advisers were involved exclusively with government at various levels. The single major project to grow from their efforts — the sites and services scheme — should, however, attract private residential development to the areas prepared for growth through installation of water supply and public rights of way.

Factors Bearing on Performance in the Demonstration Program

Retrospective examination of the Leon and Chonburi project experience by their participants shed more light on the performance of the demonstration program in achieving its objectives as a test than on merits or faults inherent in the idea of land use programming itself. These projects had been set into circumstances which permitted no more than pieces of the program to be introduced. Only the third pilot project, the one in Tamale, Ghana, really had a chance to demonstrate the principal features of the land use programming idea.

A number of factors can be identified that bear on the question of demonstration performance.

Nature and Speed of Urban Growth and Severity of Physical Development Problems Related to It

One of the original criteria for selecting pilot project sites was the existence of the problems toward which land use programming was addressed. Where very rapid growth and concomitant land use problems were present, there was a climate of receptivity to the technical advisers and their program. Tamale was such a case, and administration subdivisions of government at all levels were genuinely eager to receive the technical assistance. Leon was not.⁷ Chonburi had growth and land

7. Perhaps at an earlier stage, when Leon was just receiving the outpouring of earthquake refugees, the mayor and others in the city might have been receptive to assistance in handling their emergency settlement problems. But by the time the land use programming demonstration program got under way the emergency had subsided and
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use problems but not in the same jurisdictions. The land use problems or greatest concern to the towns had to do with scarcity or lack of suitable land for development, which was contributing to uncontrolled sprawl in the provincial territory outside their boundaries and keeping them from attracting some of that investment to their central areas.

Geographical Scope of the Demonstration Project

The Tamale project focused on the area where growth was occurring, and the host institutions had the power and responsibility to act. In Chonburi, the principal local institutions of the three towns lacked jurisdiction and influence over the territory beyond their boundaries, which was where the urbanization was taking place. Leon's jurisdiction was sufficiently broad, but with virtually no economic or population growth its problems were primarily those of stimulating, rather than guiding and controlling growth. The latter, of course, were what land use programming was designed to address.

Flexibility of the Institutional Structure to Receive and Support the Project

The key institutional actors were apparently highly flexible and responsive in Tamale, quite rigid in Chonburi. Leon's structure was also rigid, as evidenced by the mayor's unwillingness to permit the project team to help other institutions improve their effectiveness even while he was happy enough to have them enhance his own position in development matters.

Relationships between the Technical Adviser and Decision-Makers at Various Levels

Personality and persuasive power of the team leader was critical to success. The staff director in Tamale was able to establish rapport with officials at all levels of government. In Leon, the director could do this at the level of local administration, but opted to minimize his contact with central government officials. Personnel problems in Chonburi operated to compound the difficulties caused by structural problems of rival central government agencies and absence of participation by an important intermediate level of administrative authority.

Designation of Project Counterparts

Only in Tamale was there a strong, respected local counterpart to establish and maintain links between the project team and decision-makers. His appointment was evidence of Ghanaian commitment to the effort and intention to maintain continuity even after departure of the technical adviser.

Targets of Opportunity

None of the project contexts permitted establishment of an order, step-by-step process of land use analysis, formulation of growth management strategy and application of programming techniques. Project directors felt compelled to identify specific undertakings in which their intervention would be useful to decision-makers. This "target of opportunity" strategy for setting out their respective work programs was certainly appropriate inasmuch as one of the original principles of the land use programming approach was that it should help improve the day-to-day processes of local decision-making. Local officials responded positively in Leon and Tamale but not in Chonburi, and only in Tamale were specific targets chosen which were important to numerous decision-makers at different levels of government.

Congruence of Project Goals of Local, National and International Agencies

In each project various of the sponsors perceived the project objectives differently. Consequently their expectations of the project differed as well. In all cases, project teams had problems serving multiple masters. Only in Tamale was there a sufficient degree of mutual understanding to keep this problem from seriously harming performance.

Timing

Many positive aspects of the Tamale project were attributable to staff presence at just the right time in the stream of events to offer a suggestion or carry through an idea. To some degree timing was an important factor in Leon also, as the project team was able to solidify support from the mayor by responding expeditiously to his needs. With all the other obstacles in the Chonburi situation, the project personnel were unable to find the opportunity or auspicious moment when local or central government officials were receptive.

Choice of the Pilot Project Locations

Because this was a demonstration program the study which outlined its basic rationale and methods of approach dwelt at considerable length on criteria for selecting the locations where technical assistance projects should be conducted. This was important so that the ideas proposed might have a good test, but also so that the limited resources available for fielding the projects might have the best possible chances of making an effective contribution. Although in this case the resources were primarily those of an external assistance agency, similar principles would pertain in placing the developing countries' own domestic resources. Perhaps later, the concept of land use programming might find other, worthwhile applications in situations somewhat different from those which inspired its conception, but at the time of the 1974 study, the authors were very specific in their recommendations about criteria for selecting the pilot project sites.

Given the time available for analyses on which site selection could be based and given the representations by each of the host governments and resident USAID missions, each of the sites ultimately chosen by the program managers for a pilot project seemed initially to satisfy the criteria. Once pilot efforts were under way, however, and staff were in a position to understand local conditions fully, the picture appeared quite different. Tamale was unique in offering all the characteristics that were relevant to an effective demonstration of land use programming.

It is almost too easy to reach a simple, pat conclusion that the land use programming demonstration program had only qualified success because the project sites were not well chosen. Actually, evidence shows that personnel of USAID's DS/UD made a genuine effort to select project sites that met the five original criteria. Those criteria are still valid. The experience of DS/UD's demonstration program has shown that the site selection criteria, in and of themselves, are necessary, but not sufficient indicators of a potentially successful land use programming effort. What has emerged through the pilot projects is a more sophisticated understanding of where land use programming is worth trying and the bases it requires for success.

Rapid Urbanization (i.e. population growth with concomitant land use problems)

Rapid growth of the secondary city had been identified as the main rationale for a land use programming effort. A rapidly growing community, it was assumed, would perceive the need for land use management and control. It is clear now that increase of population numbers alone does not reveal enough about the setting. Rapid growth, we have learned, can occur for a variety of reasons and does not always bring with it the sorts of land use problems that land use programming is meant to address. Nor does sheer increase in numbers alone reveal the potential of a city for making significant contribution to the national or regional economies.

More qualitative analyses of the nature and extent of growth, growth potential and associated land use problems, as well as official perception of these developments -- both present and future -- are needed to give the depth to the picture.

Central Government Objective and Institutional Backing

All three of the pilot project countries represented that their central governments were concerned to foster secondary city development, that they had institutions or mechanisms expressly charged with carrying out national policy of this sort, and that they intended to direct financial resources to specific secondary cities in support of this policy. They all produced policy documents with words to this effect. The words in policy documents, however, were not always backed up when it came time for action and project funding.

The status of the institutions and of the personnel assigned responsibility for secondary city development are telling clues in this respect, as are actual budgetary commitments. It is by no means unusual that national planning objectives expressed in connection with one sector are over-ridden or undermined by the efforts to achieve objectives in another, higher-priority sector.

Central Government Commitment to Build Local Capacity

Land use programming cannot work unless there is a commitment by the central government, as well as local and intermediate administrative subdivisions to develop planning and management capacity at the secondary city level.

In every case of a pilot project country the government assured DS/UD that it did, indeed have such a commitment, and, perhaps to oblige USAID, consented to include mention of this commitment in the project agreement. When it came to implementation, however, the commitment seemed to dissolve. There needs to be more evidence of a commitment to building local government capacity, as represented by training programs, for example, specific examples of consultation between central government decision-makers and those with responsibility for land use management at the local level, etc. Moreover, there needs to be some mechanism for achieving coordination, if not collaboration and for resolving conflict among various arms of government that operate at the local level.

Priority in Allocating Resources for Implementation

Without an established priority, either formal or informal, at the level of central government to channel resources for investment in infrastructure or other development projects to the community engaging in land use programming, the local effort becomes an exercise in futility.

Whether the planning addresses questions of precisely how to execute projects for which funds are already committed or whether there is a willingness by those who allocate development resources at the center to respond to worthy project proposals growing out of the land use programming work, is not so critical (although both are desirable) as the need for a clear, direct connection between the planning and implementation. The setting aside of funds explicitly for financing projects formulated at local initiative or other provision for funds to be used at the discretion of local government, would be persuasive evidence of a commitment in this area.

Leadership

Local political leadership is important to any planning and development control effort. But local leadership encompasses more than a single official, however powerful. This did appear to be present in each of the pilot project cities. If, however, development objectives

broader than merely the provision of some public works projects are to be pursued, or if there is intention that the works projects foster additional development investment (public sector, as in expanding services for a rural hinterland, or private, as in new commercial and industrial enterprise) there needs to be evidence of potential participation of leadership from a variety of local institutions and from among influential local entrepreneurs and private citizens as well.

Each of the demonstration project settings met these criteria in some degree, at least so far as the governments involved represented to USAID program managers. Nicaragua seemed to have a national commitment to strengthening the capacity of local government. It did not, however, necessarily extend into the area of physical, or land use, planning. Leon also had a strong-man mayor, but the project had neither a broadly-knit base of local leadership support, nor commitment from the central government to supplement the city's own resources when it came to implementing projects that the pilot effort could formulate. There had been growth, but it was illusory.

Thailand did have an institutional mechanism for overseeing the progress of the land use programming project, but it had another with responsibilities for local planning which perceived the land use programming project as impinging on its own authority. Central government support was not to become available for locally-conceived projects. Burgeoning growth in the Chonburi region was manifesting itself in serious land use problems but land use assistance focused within the three cities, at least as the project was executed, was doomed to have little impact on the management of sprawling, chaotic development outside their boundaries.

Most of the site selection criteria were best met in the case of Tamale.

DS/UD added several other site selection criteria to the original set. One had to do with city size. The program managers looked not specifically for the secondary city or cities of a country but rather among those of intermediate size relative to the respective country's existing settlements. They targeted cities ranging in population from 50,000 to 200,000, with an established base of some urban infrastructure. Another added consideration was that the pilot site should be a substantial distance from the major metropolitan area and capable of serving as a growth center in a less developed region, particularly a place that functioned as a major agricultural market center. They wished to exclude communities that were actually satellites of the primate, and to work, instead, in cities where collection, distribution and processing of produce from the rural hinterland and the provision of services to that hinterland were important components of the economic base. Moreover, they sought places sufficiently typical that the approaches and techniques developed through the pilot project could be useful for replication in a number of places elsewhere.

It is not clear in any of the cases whether, or how, the land use programming project contributed to integration of regional economic relationships. Leon, for example, although it did have the basic urban infrastructure in place, was not the growing agricultural processing center of its region. A faster-growing town to the north was expanding in that capacity. Moreover that town still lacked much of its basic armature of urban services, which meant it might have been a fruitful location for planning. Yet, neither the Nicaraguan government nor the USAID mission suggested that town as a possible site for the pilot project, and its potential became clear only in the course of the Leon effort. Chonburi and the other two small towns may have fit the bill superficially with respect to regional economic functions but substantial expansion of their roles in regional development seemed to be hampered by lack of developable land within their jurisdictions. Tamale was certainly the agricultural market and processing center for its region, but again, there is no indication that the land use programming project there was geared specifically to enhance its economic function.

Resources for Implementation

In each case host country and local government officials regarded the land use programming effort as a prelude to external donor financing of local construction projects, although DS/UD had not contrived to give such an impression. Only in Tamale did such a link actually come into being -- with the USAID mission's commitment to bring in heavy earth-moving equipment to prepare the sites and services project area.

The land use programming demonstration did not succeed in the other cases as a means of securing national government funds for local projects or attracting financing for locally-initiated development schemes. Nor did it emerge as a basis for redirecting limited local resources into more effective utilization. This may have been the source of the greatest disappointment to local officials, and it may explain the cases where the land use programming project failed to engage the attention of the officials it was intended to influence.

Lessons and Recommendations

In introducing the seminar on review of the pilot program experience, AID representatives states they contemplated no additional pilot projects in land use programming. As part of the evaluation effort, however, they posed three key questions:

1. Is the concept of land use programming relevant to secondary city development and should it continue to be fostered by USAID and other international agencies?
2. Should the type of effort represented by the pilot projects now be advocated as one of the standard technical assistance tools which international agencies can offer third world countries?
3. Are major changes needed in concept or execution?

There was general agreement in the seminar on a number of points, and some specific recommendations. By and large these are incorporated in earlier chapters of this study, particularly in the sections containing recommendations for international agencies. Briefly, they concerned the following matters.

1. A clear linkage needs to be made between assistance in planning and actual project implementation. The two must be perceived as going together in this kind of demonstration effort.

2. A longer period should be stipulated from the outset of the effort to permit the institution-building that is critical to success. This does not mean that a specific technical assistance program should be of several years' duration or that particular individuals have to be involved continuously for extended periods. Rather, it should be clear that an eighteen-month to two-year mission is a beginning, from which dramatic results can not be expected. Provision for continuity of process and institutions should be clearly established by the several government and international agencies involved.

3. The programming approach should be associated not with project execution, but with basic on-going management of the communities involved. If tied too much to implementation, the process can disappear once a particular project is completed. The process, as it stands now, is not sufficiently distinguishable from the normal kind of project planning fostered by international lending agencies. If it is to have long-term validity as something distinct, the programming process has to be rooted further back in the decision-making stream and has to have a broader focus. The land use element is important and should be maintained in any reformulation.

4. A more explicit component of public finance is required. The Chonburi project was the only pilot project to pay formal attention to this facet of local administration. Work revealed the extraordinary difficulties that secondary cities have in obtaining the fiscal resources to support either growth or growth management.

5. The nomenclature should be changed, since land use programming is a confusing term to some. Other approaches to planning (capital improvements planning, structure planning, development programming, etc.) have a more ready recognition by both development professionals and public officials. A larger picture is needed than suggested by land use alone. If the concept is to be adopted more widely it has to be clearly understood and broadened to address the range of relevant concerns.

6. A methodology is needed with which to diagnose both accurately and rapidly the growth management problems of a secondary city, and to base selection among cities for the placement of funds and technical assistance resources. "Action" planning for the city is the real

strength of the land use programming concept. The necessary actions could well occur on a variety of fronts (i.e. land use control, financing, sectoral development) and any strategy for action has to be based on the objective reality of prevailing conditions -- demographic, social, economic, political, etc. There is no instrument at present with which a short reconnaissance of city conditions can be conducted, appropriate data collected and analyzed, and relevant strategies, formulated. Efforts to carry the programming process further should involve the development of such an instrument.

7. AID and the World Bank can not finance the major continuing effort in the growth management field. One objective of future activity should be to encourage developing countries to institutionalize technical assistance to secondary cities at a national level and to allocate sufficient resources to do the job.

8. Clearer links must be drawn between the institution of a programming process and external financial incentives. It will only be done if there are "carrots" , e.g. projects or the hope of major financial assistance for the secondary cities.

9. The views of the host country participants definitely should be taken into account in any effort to refine the programming concept.

10. Discussion of the issues inspired by review of the pilot program was a good exercise, and one which USAID should continue by bringing together the same people -- and others -- for further exploration of ideas

Appendix

OUTLINE FOR SECONDARY CITY APPRAISAL REPORT

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Objectives

To develop sufficient information about a city (urbanizing area) to determine whether it is suitable for Land Use Programming assistance, and

To formulate a preliminary strategy for the Land Use Programming assistance effort.

Performance Schedule

Two to three weeks in the field, plus

Follow-up to the field work.

Basis for Assessment

Documentation review at national, provincial and local levels,

Interviews at national, provincial and local levels and

On-site visual reconnaissance (with or without aerial photography).

I. GROWTH CHARACTERISTICS AND ISSUES

A. Population

1. Growth (during the previous five-year and ten-year periods)
2. Relative size and relative growth rate, compared with primary center and other secondary cities.
3. Explanations for growth, e.g. immigration, natural increase, particular stimulating factors.

B. Economic Base

1. Major formal sector economic activities, their national significance and growth.
2. Major informal sector economic activities, their significance and growth.
3. Employment and unemployment data.
4. Income levels.
5. Nature and extent of local entrepreneurship.

C. Physical Development

1. Review of land use and topographic pattern (preferably with aerial photos taken over time to indicate changes in development and extension of urbanized area.
2. Commercial/industrial land uses
 - a. location
 - b. scale
 - c. rate of development
3. Identification of land assembly and land cost problems (public sector and private).

D. Shelter

1. Examination of existing patterns, especially informal sector.
2. Production rates, types, producers.
3. Identification of problems, if any, associated with the production of shelter.

E. Land Ownership

1. Present patterns.
2. Current and anticipated needs for various uses
 - a. Land availability
 - b. Suitability: amount, cost, topography and soil condition, accessibility to infrastructure and other services, transportation, related land uses, and other locational features -- advantages or problems associated with acquisition and use in the manner anticipated
 - c. Extent and seriousness of squatting, if any

F. Financial

1. Review of municipal budget
 - a. Revenues and expenditures; deficits, surplus

- b. Revenue sources, amounts and potential for additional productivity (for recurrent and capital expenditures)
- c. Nature and extent of finance for capital projects, i. e. infrastructure
- d. Availability (current and potential) of discretionary funds for financing local projects

G. Utilities

- 1. Review with municipal officials of adequacy of existing systems to accommodate growth
 - a. Water/sewer (water sources and quality, distribution and treatment capacity, areas serviced)
 - b. Electricity/telephone
 - c. Solid waste collection and disposal
 - d. Transport systems
- 2. Identification of problems or limitations associated with expansion of any of these systems, particularly those that would be instrumental in fostering the growth and development of local business and industrial enterprises or attraction of investment from outside.

H. Planning

- 1. Review of adequacy of present systems
 - a. Land planning
 - b. Land control instruments and administration
- 2. Qualitative judgments of growth issues
- 3. Assessment of the desirability of applying the Land Use Programming approach (e. g. are there problems of land use conflicts, land availability, incipient or well-established squatter settlements, multiple construction projects under sponsorship of a variety of agencies, major development investments programmed for the vicinity, special resources that can be developed in the near, to middle-range future, etc.?)

II. NATIONAL MECHANISMS (and Provincial, where applicable)

- A. Review of national framework and importance of candidate cities within that framework with national planning agency,

public works, interior and other ministries and agencies concerned with secondary cities.

- B. Identification of agencies and their responsibilities bearing on planning and land development in candidate cities.

III. CAPACITY-BUILDING COMMITMENT

- A. Review of extent of decentralized decision-making and basic responsibilities of municipal authorities.
- B. Investigation of university and public agency programs (including international technical assistance) to train and upgrade staff and political leadership within the candidate cities.

IV. PRIORITIES FOR MAJOR CAPITAL INVESTMENT, SCALE, TIMING, ORGANIZATION, LIKELY IMPACT ON GROWTH PATTERNS

- A. Scheduled infrastructure and community facilities projects at the local level.
- B. Economic investment in process or prospect.
- C. National plan commitments to candidate cities and regional development programs.
- D. National/provincial sectoral commitments to candidate cities.
- E. International agency loan/grant commitments to candidate cities and/or regional development programs.

V. RECEPTIVITY AT LOCAL LEVEL

- A. Interviews with mayor, principal administrators, principal private entrepreneurs (where relevant) to probe:
 - 1. Present planning approaches
 - 2. Willingness to work with international/national technical personnel
 - 3. Willingness to provide logistic support
 - 4. Particular cultural/political or local issues to be highlighted in technical assistance team orientation.
- B. Initial sounding of objectives for the community.
 - 1. Pet projects and likely feasibility.
 - 2. Preconceptions toward land use assistance.

- C. Probing of relationships with adjoining jurisdictions affected by urbanization.

VI. STRATEGY FORMULATION FOR ACCEPTABLE CANDIDATE CITY

- A. Over all problems and possibilities statement.
- B. Objectives to be met by technical assistance team during the stipulated time frame.
- C. Make up (skills requirements) of the technical assistance team.
- D. Institutional association or sponsorship of the technical assistance team.
- E. Sequence of initial tasks for the technical assistance team.
- F. National/provincial/local policy and support commitments required.
- G. Linkages to be established with other governmental agencies and other technical assistance programs.



